



# VCU

## FACULTY EARLY RETIREMENT INCENTIVE PROGRAM AGREEMENT

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 2022 by and between Virginia Commonwealth University (hereinafter, "University" or "VCU") and \_\_\_\_\_ (hereinafter "Faculty Member"), a tenured member of the faculty of the University, pursuant to the terms and provisions of the Virginia Commonwealth University Faculty Early Retirement Incentive Program (hereinafter, "FERIP") and its Implementation Guidelines (hereinafter "Guidelines"), both of which are incorporated herein by reference.

WHEREAS, the University has established the FERIP, pursuant to which tenured faculty members may apply for early retirement consistent with the eligibility criteria, process and procedure set forth in the FERIP and the Guidelines; and

WHEREAS, Faculty Member has applied for early retirement pursuant to the terms of the FERIP and has been selected by the University as one of the applicants who will be allowed to proceed with early retirement; and

WHEREAS, the parties desire to confirm the specific details pertinent to Faculty Member's early retirement and/or resignation;

NOW THEREFORE, for and in consideration of the mutual promises and agreements as set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties hereto, the University and Faculty Member hereby agree as follows:

1. Prior to the execution of this Agreement, Faculty Member will submit a letter of retirement and/or resignation from his/her tenured faculty position with the University in its Department of \_\_\_\_\_, School of \_\_\_\_\_, effective \_\_\_\_\_. The execution of this Agreement by the duly authorized representative of the University will constitute acceptance of the tendered retirement and/or resignation without the necessity of further action on the part of the University.
2. If the Faculty Member chooses to retire under the FERIP and begin receiving retirement benefits, the Faculty Member agrees to apply for retirement benefits through either the Virginia Retirement System ("VRS") or an Optional Retirement Program ("ORP"), as applicable, in sufficient time to allow such benefit payments to begin upon the effective date of retirement.
3. In exchange for Faculty Member's agreement to retire and/or resign from employment with the University, Faculty Member will be entitled to participate in the Virginia Commonwealth University Supplemental Retirement Plan for Faculty (the "Plan"), which

is a plan designed to support the FERIP. The Plan will provide Faculty Member with a total sum that will be equal to either 100% of the annual average university salary of the teaching and research faculty (except for administrative faculty who have faculty tenure) that were determined to be eligible for participation in the FERIP as of July 1, 2021 or 150% of the Faculty Member's base annual salary in effect on the date of execution of this Agreement, whichever is less. For this 2021 calculation, average university salary, as determined by the University, is \$154,757 and the monthly installment is \$ [REDACTED]; 150% of the Faculty Member's base annual salary in effect on the date of execution of this Agreement is \$ [REDACTED] and the monthly installment is \$ [REDACTED]. The Faculty Member's monthly installment payment from the Plan, therefore, will be \$ [REDACTED]. Payments will be made in equal monthly installments over a period of five years (60 months). The Plan is intended to be a qualified benefit defined benefit plan under Section 401(a) of the Internal Revenue Code of 1986. Notwithstanding any provision of this Agreement, the terms of the Plan shall prevail in the event of any inconsistency.

4. Pursuant to the provisions of the FERIP, in the event the Faculty Member becomes permanently and totally disabled after this Agreement is signed but before the Faculty Member's Separation Date, the Faculty Member will still receive payments for which provision is made in this Agreement. If Faculty Member dies following the execution of this Agreement but before the effective date of Faculty Member's retirement and/or resignation, the University will not be responsible for any payments under this Agreement and this Agreement thereupon will be considered null and void.
5. Participation in the FERIP will not preclude the Faculty Member from future employment with the University or with another Virginia agency or institution on a part-time basis (in a position not eligible for VRS or ORP), subject to the needs and approval of the appropriate unit of the University or other Virginia agency or institution. Possible opportunities at the University may include adjunct teaching and other instructional and research activities. The Faculty Member will be required, however, to withdraw from active participation in the VRS and/or an ORP, as applicable, and may not be employed in any position or capacity that requires participation in the VRS or an ORP.
6. If the Faculty Member retires and participates in the Commonwealth of Virginia's retiree health benefits program, the University will pay to the Faculty Member a health care supplement until the Faculty Member becomes Medicare eligible. The supplement will be \$300.00 per month and will be paid through the Plan. The FERIP health care supplement payment will cease the first month in which Faculty Member becomes Medicare eligible or dies, whichever is earlier.
7. If Faculty Member resigns or chooses not to retire but to instead defer receipt of retirement benefits, and elects to participate in Extended Coverage, a Consolidated Omnibus Budget Reconciliation Act (COBRA) health plan, Faculty Member will receive a FERIP health care supplement of \$300.00 per month paid through the Plan until the Faculty Member becomes Medicare eligible, or for the duration of such Extended Coverage (whichever period is shorter) following the end of the month of the Separation Date. By selecting this option, the Faculty Member agrees to keep the University Payroll

Office informed in a timely fashion as to the Faculty Member's participation and termination of Extended Coverage (COBRA).

8. Faculty Members selected to participate in the FERIP will have 30 days from the date of this Agreement to execute the Agreement or it will be null and void.
9. By executing this Agreement, the Faculty Member acknowledges and certifies that he/she is eligible for participation in the FERIP. To be eligible to apply for participation in the FERIP, a Faculty Member must at the effective date of separation be tenured and either (1) must be at least 60 years of age and have at least 10 years of full-time service with the University, or (2) if the Faculty Member is 55 through 59 years of age, the sum of his/her age and years of full-time service must be at least 80. Participants must agree to withdraw from active membership in the VRS and/or an ORP, as applicable. If the Faculty Member retires and/or resigns under the FERIP, the University will cease contributing to the Faculty Member's VRS or ORP account.
10. Faculty Member, with the intent of binding the Faculty Member, the Faculty Member's spouse, legal representatives, and assigns, hereby fully releases, covenants not to sue, and discharges VCU, and all officers, directors, employees, agents, or affiliates thereof, in both their official and individual capacities, from any and all charges, claims, demands, grievances, lawsuits, or charges of any kind whatsoever which may exist as of the date of this Agreement, including, but not limited to, any state and/or federal claim for discrimination (including claims under the Age Discrimination in Employment Act – the ADEA), wages, overtime, retaliation, breach of contract, defamation, tortious conduct, damages, costs or attorney's fees, known or unknown, of whatever kind or nature in law, equity or otherwise, arising out of, or relating to Faculty Member's employment at VCU.
11. In accordance with the Older Workers Benefit Protection Act, the Faculty Member has thirty days in which to consider and accept the terms of this Agreement, and the University recommends that the Faculty Member consult with an attorney about the terms of this Agreement before signing it. If the Faculty Member signs this Agreement before the expiration of that 30-day period, the remainder of that period is thereby waived. After signing and thus accepting this Agreement, the Faculty Member is allowed seven days in which to revoke acceptance. If the Faculty Member wishes to revoke acceptance, written notice must be provided within that seven-day period the appropriate Dean or Vice Provost.
12. This Agreement shall constitute the entire Agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement. Any modification of this Agreement shall be binding only if evidenced in writing signed by both parties.
13. The laws of the Commonwealth of Virginia will govern this Agreement.

14. Faculty Members who retire under the FERIP shall also receive all benefits to which they would otherwise be entitled to as a retiree of the University as provided under, and subject to the terms of, applicable University policy.

WITNESSETH the following signatures this \_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Faculty Member

\_\_\_\_\_  
[Signature]

“Given under my hand this \_\_\_\_ day of \_\_\_\_\_, 2022.”

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Commission Expires

\_\_\_\_\_  
Dr. Gail Hackett  
Provost and Senior Vice President for Academic Affairs  
Virginia Commonwealth University

\_\_\_\_\_  
[Signature]

“Given under my hand this \_\_\_\_ day of \_\_\_\_\_, 2022.”

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Commission Expires

Attachments

**Exhibit A** -- Faculty Early Retirement Incentive Program

**Exhibit B** -- Faculty Early Retirement Incentive Program Implementation Guidelines