

**FLORIDA ATLANTIC UNIVERSITY POTENTIAL
VOLUNTARY RETIREMENT/ RESIGNATION INCENTIVE PROGRAM, PHASE 3,
FOR TENURED EMPLOYEES IN THE FACULTY PAY PLAN**

FREQUENTLY ASKED QUESTIONS

Florida Atlantic University is pleased to offer a final, Phase 3 of the voluntary retirement program (the “Program”) to its tenured faculty members in April 2021. The Program is largely modeled after a similar program implemented at the University of South Florida in November 2020. The following Frequently Asked Questions are derived from the USF program. They have been adapted to provide details of the FAU Program.

1. What is the voluntary resignation/retirement incentive program?

This Voluntary Retirement/Resignation Incentive Program is an opportunity for the University to offer financial and other incentives to eligible faculty in exchange for their voluntary retirement or resignation, allowing the University to strategically reinvest its resources to address a challenging budgetary environment. Enrollment is strictly voluntary and, budget permitting, available to employees who qualify based on eligibility requirements. A waiver of liability is required of those who participate in the Program.

2. Who is eligible for Phase 3 of the Program?

An employee must meet the following requirements as of the date of their Phase 3 application or the effective date of their retirement or resignation to be eligible for the Program:

- a. Full-time tenured faculty (defined by University policy as employees whose appointments total 1.0 FTE), FAUS instructors, or Library faculty and College of Medicine faculty (regardless of tenure)
- b. Base salary¹ paid with 100% state recurring appropriations (i.e., E&G or FEFP) sources;
- c. Minimum of 10 years of active, continuous, service with the University;
- d. At least 60 years of age; and
- e. Do not hold an administrative position above the role of chair/director, however College of Medicine faculty through the administrative rank of senior associate deans and associate deans are eligible.

3. Would there be any other exclusions applicable to participation in Phase 3 of the Program?

Yes. The Program would **not** be available to faculty in any of the following categories as of the effective date of their retirement or resignation:

- a. In the Deferred Retirement Option Program (DROP);
- b. Currently enrolled in a Phased Retirement program;
- c. Have submitted a notice of resignation or retirement that has been accepted

¹ Base salary does not include any overload, OPS, or administrative supplements.

prior to the application deadline for Phase 3 of the Voluntary Retirement/Resignation Program;

- d. Have received a notice of termination, separation, non-renewal, or lay-off;
- e. Have been issued any other terminal employment contract; and
- f. Employees terminated for misconduct (even after electing to participate in Phase 3 of the Voluntary Retirement/Resignation Program).

4. What if I receive part of my base salary through non-E&G or non-FEFP funds?

Employees with multiple sources of funding for their salaries would NOT be eligible for the Program.

5. Will I have my choice of retirement dates?

Yes, but with limitations. A condition of Phase 3 of the Program is that the employee agrees to retire **on or before August 15, 2021 if the Summer semester is chosen or on or before December 17, 2021, if the Fall semester is chosen.**

Tenured faculty who participate in Phase 3 of the Program would receive a 100% research/scholarship assignment for the Summer or Fall 2021 semester to allow them to complete their career with FAU as a full-time faculty member.

6. How will eligible employees enroll in Phase 3 of the Program?

In order to complete the enrollment process, the employee *must*:

- a. Complete and submit an electronic Request Form that will be available [online](#) within the specified enrollment period from **April 5, 2021** through **April 9, 2021** (ending at 5 p.m.).
- b. Review and sign the Voluntary Resignation Agreement and General Release that will be provided by the University, and submit a signed copy to voluntary-incentive@FAU.edu by the deadline stated in the Agreement.

7. What if I submit my Request Form before or after the dates listed in #6?

Any Request Forms that are received before or after the specified dates will not be processed.

8. How can I assure that my electronic Request Form was received?

Each submitted Request Form will receive a confirmation email immediately upon receipt with a record of the date and time of submission. Employees may request a copy of their Request data.

9. How will individuals be selected for Phase 3 once the applications are submitted?

Applicants will be considered using factors such as University/College/Departmental needs and to the extent that each budgetary unit's fiscal, operational, and staffing circumstances

allows. Assuming eligibility and feasibility, applicants will be approved by the Office of the Provost in consultation with the appropriate Dean.

10. What legal agreement is required?

Eligible faculty who elect to participate in Phase 3 of this Program will receive a Voluntary Resignation Agreement and General Release (“Agreement”), which will set out the terms and conditions of the employee’s separation from Florida Atlantic University and the severance payment offered as part of the Program. Any employee participating in the Program is required to sign and return the Agreement on or before the deadline stated in the Agreement. Prior to signing the Agreement, the employee will be given the opportunity to review the Agreement and any informational addenda, and to consult with an attorney of the employee’s choosing, if desired.

11. Would the Agreement be binding?

After signing the Agreement, the employee will have a 7-day period during which the employee may decide to revoke the Agreement. If not revoked, the Agreement will become final at the end of the 7-day period; it is then a legally binding contract that cannot be unilaterally rescinded or changed by either party.

12. What incentives are offered to those who choose to take advantage of Phase 3 of this Program?

The following incentives are currently being contemplated:

A. Participating tenured faculty members will be afforded a 100% research/scholarship assignment (or other assignment approved by the chair/director/director appropriate to the employee’s position) for the Summer or Fall 2021 semester, allowing them to conclude their academic careers as a full-time employee at the Florida Atlantic University;

B. Following separation from the University, the employee will receive a lump-sum severance payment equivalent to 20 weeks (the maximum allowed under Florida Statutes) of their base nine- or twelve-month E&G or FEFP funded salary, less applicable deductions.

C. In addition to any consideration received by the employee under the terms of Phase 3 of this Program, the employee will also be entitled to a payout of accrued and unused annual and/or sick leave as of the retirement/resignation date, in accordance with Florida law, any applicable Collective Bargaining Agreement, University Regulations and Policies, and applicable College practices that were in place at the time of the execution of the Agreement. The employee will receive the annual and/or sick leave payout after a final leave audit is conducted, which is usually approximately 30 days after the separation date. To read the current HR Policy on annual and sick leave payouts for non College of Medicine faculty, please visit:

https://www.fau.edu/hr/benefits/amp_faculty_benefits_summary.php. For College of Medicine faculty, please visit:

<http://med.fau.edu/faculty/documents/adminpolicies/Faculty%20Benefits%20Policy.pdf>.

D. Participating faculty members who also join and maintain annual membership in the FAU retired employees social networking group will be provided for the first five years after their retirement two annual season tickets to FAU football and men's or women's basketball in the group members' sections, two tickets annually to a choice of selected FAU-produced plays, paid annual membership to the FAU Rec Center, and annual membership for the first two years to the Osher Lifelong Learning Institute. The participant will be responsible for all taxes due on these benefits, if they decide to participate in the membership group

E. Retired faculty members assume all rights and privileges associated with that status.

13. What is the difference between the retirement and resignation designation?

In order to be considered retired, faculty members must take a distribution from their ORP account or start receiving their FRS pension. There are two distinctive differences: 1) There is a reemployment freeze for all retirees and the length of this freeze depends on their retirement program (ORP or FRS). In contrast, employees who resign may return to employment 30 days later if approved by their respective Dean/Provost. 2) Retirees are entitled to retain health insurance coverage for their lifetime, while employees who resign are eligible for up to 18 months of coverage under COBRA. For additional questions, email benefits@fau.edu.

14. Can an employee who separates from the University through Phase 3 of this Program be rehired by the University?

There is no presumption of re-employment with Florida Atlantic University. Additionally, should you elect to retire, there are statutory limitations on return to employment with any State of Florida employer as well as limitations on future eligibility to participate in the Florida Retirement System. The University does not make any representations or extend any assurances as to the effect of any applicable statutory limitations other than to identify this as an issue that you should carefully consider before deciding to participate in this Program or electing to retire from the University.

15. Who can I contact to discuss my state retirement plan in relation to this Program?

For more information on retirement, you may contact an [FAU HR Benefits Rep](#) or the [FAU Human Resources Department](#).

16. Will this Program be offered again?

There is no guarantee that a program of this nature will be available in the foreseeable future. Declining budgets make programs of this nature increasingly difficult to fund.

17. How will my lump-sum severance payment be taxed?

It will be taxed as a supplemental wage payment at the IRS supplemental tax rate in effect at the time the payment is made. Additionally, Social Security and Medicare taxes will be withheld up to the taxable wage base limits. (See chart below for 2021 tax rates).

18. Would there be there a way to delay part of the payment until a subsequent year to minimize the tax impact?

No, the payment will be made as a lumpsum payment that will be taxable in the year of payment.

19. Who can I contact if I have additional questions regarding the personal tax impact of the lumpsum severance payment?

The University cannot provide individual tax or investment advice and recommends that you contact qualified tax counsel or professionals for assistance with individual questions regarding tax planning.

20. Would the lumpsum severance payments be eligible for retirement contributions and service credit?

No. Such payments are excluded from the Division of Retirement's definition of compensation, and retirement contributions will not be made.

21. Could contributions be made to my 403(b) and/or 457 Deferred Compensation account(s)?

You may contribute to your 403(b) and/or 457 accounts up to the IRS annual limits on leave payouts only. Contributions cannot be made to your 403(b) and/or 457 accounts from the lump-sum severance payment. Please contact an [FAU HR Benefits Rep](#) or the [FAU Human Resources Department](#) for more information regarding deferral elections and limits.

Wage Limits and Tax Rates		
Tax Type	Tax Rate	Taxable Wage Base Limit
Federal	22.00%	No Limit
Social Security	6.20%	\$ 142,800
Medicare	1.45%	No Limit

Effective: 1/1/2021

22. Will I be eligible for COBRA insurance?

Yes, you will be eligible for COBRA insurance continuation for a period of up to 18 months following resignation/retirement. As a retiree, you will be eligible to elect retiree health insurance through the Florida State Employees Plan or you could choose COBRA. COBRA is also available to continue your Dental, Vision and any other supplemental insurance. Information regarding COBRA/retiree insurance will be discussed in further detail when you meet with an HR Benefits rep to file for retirement. Upon retirement, you will also receive information in the mail from People First, the State of Florida's benefits administration vendor, that will provide details of retiree coverage and/or COBRA

insurance.

23. Will any dependents on my current insurance plan be covered if I elect the retiree health insurance or COBRA insurance?

As stated above, information regarding COBRA/retiree insurance will be discussed in further detail when you meet with an HR Benefits rep to file for retirement. People First will provide any details of retiree coverage and/or COBRA insurance when they contact you upon your retirement, as well. You can also visit the [People First website](#) for more information.

24. When will I know if I have been accepted into Phase 3 of the Program?

The University will begin to notify people of their status in the Program as soon as possible following the April 9, 2021 application deadline.

25. If I elect not to draw my state retirement benefits, can I still participate in Phase 3 of the Program?

Yes. If you elect not to apply or are ineligible for retirement benefits, you may still participate in the Program, but your separation will be recorded as your having *resigned* from the University.

26. If I am not accepted into Phase 3 of the Program, would my submission of a Request Form obligate me to retire anyway?

No. If not accepted into the Program, any terms and conditions of the Program are null and void for both the employee and the University.

27. Will I receive a copy of my fully-executed Agreement?

Yes. You will be provided with a fully-executed copy of your Agreement once it has been signed by all parties.

28. How can I determine the amount I would receive through the Program?

You may be provided with a good faith estimate of what your severance payment would be, upon request. This estimate may be provided to you in consultation with HR. You can also use the downloadable Excel template and instructions to calculate an estimate of your payout. The template can be found on the [Voluntary Retirement/Resignation Program webpage](#). Please note, the estimate is based on the gross amount of the severance and any leave payout before deductions and taxes.

29. Will acceptance into Phase 3 of the Program serve as my resignation, or will I be required to submit a letter of resignation to my department?

Once you are accepted into the Program, the signed Agreement will serve as your official resignation document. However, as a courtesy, we strongly recommend that you provide a letter of resignation with your intended date to your department/school

chair/director/director or supervisor. Note that this letter will not affect or change the terms of your binding Agreement, but may be included in your official personnel file.

30. Will I face penalties if I retire early from the DROP program?

DROP participants can terminate from the DROP program at any time without generating penalties. However, the DROP lumpsum accrual amount will be determined by the number of months of participation in DROP. DROP members should contact the FRS if they have questions regarding their DROP accrual amount.

NOTE: DROP participants must begin receiving their state retirement benefit when they terminate employment; thus, they cannot elect to “resign” from the University.

31. Would time as a temporary (OPS) employee count toward the requirement of 10 years of continuous service?

No. To be eligible for participation in the Program, the employee must have 10 years of continuous service in a full-time position that was benefits generating.

32. Will my assignment include teaching and/or service?

If selected for this program and you are a tenured faculty member, your assignment will be 100% research/scholarship for the semester your retirement is effective. This will not include teaching or service.

33. I was awarded a sabbatical in either academic year 2020-2021 or 2021-2022. How will this program impact the terms of my sabbatical?

For those who participated in sabbatical leave in academic year 2020-2021, we are allowing a one-time exception to the sabbatical terms. FAU will waive the requirement to return to the university for a full academic year if you are selected for this program.

For those who were awarded a sabbatical for the 2021-2022 academic year and wish to participate in this voluntary program, you will need to rescind your sabbatical if selected for this program.

34. Is it possible that too many people in one department could apply for retirement at the same time?

Yes. Management will reserve the right to defer a faculty member’s participation in the Program until a later date, including delaying the effective date of retirement/resignation, if doing so is determined to be in the best interests of the University, based on consideration of factors including but not limited to student success, grant obligations, and potential short-term impacts on University operations. “Defer” in this case means that the University will retain a commitment to the full terms of the Agreement, but will work with the individual to choose a later resignation/retirement date and 100% research/scholarship assignment, as necessary. Each situation determined to be potentially adverse will be dealt with on a case-by-case basis. However, individuals cannot unilaterally defer their resignation/retirement date under the Program; as per the stipulation above, it must be on

or before December 17, 2021.

35. Can the University guarantee that my position in the department will be replaced if I retire?

No. Because of the uncertainty surrounding state funding for the foreseeable future, no such guarantees can be made. However, the University is committed to delivering a curriculum that meets the needs of our students, and will allocate future positions accordingly.

36. May I submit additional questions or suggestions about the contemplated program?

Interested faculty are encouraged to submit questions or suggestions about the Program to voluntary-incentive@FAU.edu.