

**Retirement Incentive/ Voluntary Employment Separation Agreement for Tenured and
Tenure-Track Faculty (Group I Faculty)**

Please note that this is a legally binding document. Make sure that you understand its provisions before signing and returning the form to University Human Resources. If you have questions, please call 740-593-1636 to make an appointment with a member of the Benefits staff to go over the form either in person or over the phone. If you elect to return this form by mail address it to Greg Fialko, Ohio University Human Resources, 169 West Union Street, Athens, OH 45701. The agreement outlined in this document will not go into effect until an authorized representative of University Human Resources signs it. A copy of the completed form will be sent to your home address that the university current has on file.

This Retirement Incentive Agreement (Agreement) is between Ohio University (University) and _____ (Faculty Member), collectively the parties (parties).

Employee ID Number: _____

My effective date of retirement/separation is _____^{1st}, _____.
Month Year

1. CHOICE OF OPTIONS (CHOOSE ONE)

The University has offered and the Faculty Member is accepting the following retirement/voluntary separation incentive program:

A. ____ The University will purchase one year of Ohio State Teachers Retirement System credit (STRS), and Faculty Member retains the right to participate in the University's Faculty Early Retirement Program, and Faculty Member is NOT eligible to receive a cash bonus or any additional deferred compensation payment to any other tax deferred program he/she may have with the University excepting a payout of accrued sick and vacation time as described in D. of this section. In return for the purchase of one year of STRS credit, Faculty Member understands that he/she is obligated to retire on or before September 1, 2012 in accordance with STRS rules. In accepting this Early Retirement Plan Incentive option, Faculty Member declares that he/she is eligible to participate by virtue of his/her ability to meet one or more of the criteria below by June 30, 2012.

Ohio University faculty are eligible for STRS defined benefit plan retirement if:

- They are currently eligible or become eligible to retire due to the one-year buyout based on:
 - 5 years of service at age 60
 - 25 years of service at age 55
 - 30 years of service at age 50 or older
- They become eligible any time during the open period (April 4, 2011 to June 30, 2012)
- They become eligible due to purchasing service credit (exempt, refunded, military, etc.)

B. ____ The University will purchase one year of Ohio State Teachers Retirement System credit (STRS) and Faculty Member is waiving the right to participate in the University's Faculty Early Retirement Program. The university will pay Faculty Member \$50,000 in the manner described below and a payout of accrued sick and vacation time as described in D. of this section. In return Faculty Member is declaring by May 23, 2011 that he/she shall completely retire his/her position

with University effective July 1, 2011 or earlier. In accepting this Early Retirement Plan Incentive option, Faculty Member declares that he/she is eligible to participate by virtue of the ability to meet one or more of the criteria below by July 1, 2011.

Ohio University faculty are eligible for STRS defined benefit plan retirement if:

- They are currently eligible or become eligible to retire due to the one-year buyout based on:
 - 5 years of service at age 60
 - 25 years of service at age 55
 - 30 years of service at age 50 or older
- They become eligible any time during the open period (April 4, 2011 to June 30, 2011)
- They become eligible due to purchasing service credit (exempt, refunded, military, etc.)

The University shall pay to Faculty Member the amount of \$50,000.00 in the following manner:

<input type="checkbox"/> Year 1 Cash Payment paid on or about Aug. 1, 2011	
<input type="checkbox"/> Year 1 403B Payment deposited on or about Aug. 1, 2011	
Year 1 Total	
<input type="checkbox"/> Year 2 Cash Payment paid on or about Aug. 1, 2012	
<input type="checkbox"/> Year 2 403B Payment deposited on or about Aug. 1, 2012	
Year 2 Total	

***See Appendix A**

C.____ The University will pay Faculty Member \$80,000.00 in the manner described below and a payout of accrued sick and vacation time as described in D. of this section. In return for said payment of \$80,000, Faculty Member hereby waives and gives up his/her right to participate in the University’s Faculty Early Retirement Program and, if eligible, decline the University’s purchase of one year of Ohio State Teachers Retirement System credit (STRS) on his/her behalf. Faculty Member further declares by May 23, 2011 that he/she shall completely retire or resign from his/her position with University effective July 1, 2011 or earlier.

Ohio University faculty are eligible for STRS defined benefit plan retirement if:

- They are currently eligible or become eligible to retire due to the one-year buyout based on:
 - 5 years of service at age 60
 - 25 years of service at age 55
 - 30 years of service at age 50 or older
 - They become eligible any time during the open period (April 4, 2011 to June 30, 2011)
 - They become eligible due to purchasing service credit (exempt, refunded, military, etc.)
- In addition to the above, faculty/staff are eligible for this option, but not retirement status, if:
- They have 10 or more years of University service.

The University shall pay to Faculty Member the amount of \$80,000.00 in the following manner:

<input type="checkbox"/> Year 1 Cash Payment paid on or about Aug. 1, 2011	
<input type="checkbox"/> Year 1 403B Payment deposited on or about Aug. 1, 2011	
Year 1 Total	
<input type="checkbox"/> Year 2 Cash Payment paid on or about Aug. 1, 2012	
<input type="checkbox"/> Year 2 403B Payment deposited on or about Aug. 1, 2012	
Year 2 Total	

***See Appendix A**

D. Sick and Vacation Leave Payout:

The university will payout accrued sick and or/vacation leave as follows: One fourth of accrued sick leave up to 30 days; and/or 100% of all accrued vacation days up to 32 days. The amount paid out will be determined after the Faculty Member's last day of employment.

The Faculty Member understands that no interest or other fees will be payable with respect to any payment or contribution described in or contemplated by this Agreement by the University with respect to the choice made by the Faculty Member.

2. OTHER BENEFITS UPON RETIREMENT

If eligible for retirement, Faculty Member will be eligible for all other benefits normally due a retired University Faculty Member, as specified by University policy and the Faculty Handbook.

WORKING AFTER RETIREMENT

Faculty Member understands that by participating in options 1 (B) or 1 (C) above, Faculty Member's ability to be rehired by University is limited and shall be determined on a case-by-case basis in accordance with University policies and procedures and STRS rules and regulations.

3. RELEASE

Faculty Member waives and releases the University, including its employees, officers, administrators, directors, agents, representatives, and contractors from all claims, rights, and liabilities which he/she has or may have against it as of the date on which Faculty Member signs this Agreement. This includes, but is not limited to, claims, rights, and liabilities' arising under the federal, state, or local laws prohibiting employment discrimination, including the Age Discrimination in Employment Act (ADEA) and claims growing out of any legal restrictions on the University's right to affect early retirement under the option chosen by Faculty Member.

As to the full waiver and release of all claims, rights, and liabilities under the ADEA, the University advises the Faculty Member that he/she is entitled to a period of forty-five (45) days to consider the terms of the ADEA Waiver, during which time the University will not revoke or modify the terms of the ADEA Waiver. Faculty Member acknowledges that he/she has been advised of his/her ability to consider the terms of the ADEA Waiver for a period of forty-five (45) days and that his/her decision to execute this Agreement before the expiration of this period is knowing and voluntary.

The University advises Faculty Member that he/she is entitled to revoke his/her acceptance of the ADEA Waiver within seven (7) days after his/her execution. If the Faculty Member chooses to revoke his/her acceptance of the ADEA Waiver, this Agreement will become null and void. In the event that any consideration has been paid to Faculty Member pursuant to the terms of the ADEA Waiver before his/her revocation, Faculty Member acknowledges and agrees that he/she must return any such consideration to the University immediately upon his/her revocation.

4. TAX AND LEGAL ADVICE

Faculty Member acknowledges that he/she has not been provided legal or tax advice by University and that he/she has been advised that he/she should seek tax and/or legal or financial advice before entering into this Agreement.

5. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding of the Parties with respect to Faculty Member's retirement incentive program, and there are no further or other agreements or understandings.

6. WITHHOLDING AND DEDUCTIONS

Any payments to Faculty Member made under this Agreement shall be reduced by any required withholdings or deductions, including for applicable income or payroll taxes.

7. TAX COMPLIANCE

It is the intention of the Parties that the payments and benefits payable under this Agreement not be subject to any additional taxes, penalties, fees or other assessments other than what is required under the program selected by the Faculty Member. University does not guarantee or warrant that such cooperation will not result in additional expenses depending on the Faculty Member's individual financial situation. Faculty Member bears any and all risk that any payment made to Faculty Member or on behalf of Faculty Member to STRS, to Faculty Member or to a deferred compensation plan is or will be subject to additional tax or liability imposed pursuant to the rules and regulations of such payment, program or plan.

If the Faculty Member's choice of the retirement incentive plan involves a total contribution to a 403 (B) plan either in one sum or in installment payments, it is the intention of the Parties that the 403 (B) payments be made in compliance with Section 403 (B) and Section 415 of the Internal Revenue Code of 1986, as amended, the regulations thereunder and applicable IRS guidance and the 403 (B) Plan.

8. STATE OF OHIO IMMUNITY

No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Ohio Revised Code, as applicable now or hereafter amended.

9. CHOICE OF LAW

Ohio Law and rules and regulations shall govern the terms and conditions of this agreement regardless of where the parties reside during the execution and performance of this agreement.

AGREED TO AND SIGNED THIS _____ day_of _____ of 2012.

OHIO UNIVERSITY

BY _____

NAME

SIGNATURE

TITLE

DATE

Faculty Member

NAME

SIGNATURE

TITLE

DATE

APPENDIX A Tenured and Tenure-Track Faculty (Group I Faculty)

2011 and 2012 Bonus Distribution Rules

Incentive Payment Guidelines:

The \$50,000 and \$80,000 incentives will be paid in two equal installments on or about August 1, 2011 and on or about August 1, 2012.

The faculty member must decide whether the incentive will be paid in cash, or as an employer contribution to a 403B. The incentive cannot be split between cash and the 403B unless due to an IRS limit as described below. Employees under age 55 must take the incentive via cash payment.

If cash payment is chosen, the incentive will be taxed approximately 28.5 % per federal and state tax requirements.

If the 403B employer contribution is chosen, the following rules will apply:

- No more than 100% of an employee's salary in the preceding 12 months or \$49,000 of combined employer and employee contributions, whichever is lower, can be deposited to a 403B in a calendar year.
 - If the employer incentive and any employee contributions to a 403B are in excess of the \$49,000 annual limit the university will contribute as much as possible to the 403B and pay the remainder in cash each year.
 - If 100% of the employee's salary is less than the incentive, the university will contribute as much as possible to the 403B and pay the remainder in cash each year.

The sick and/or vacation payout will be paid in one installment on or about August 1, 2011. The payment will be taxed 28.5% per federal and state tax requirements plus any other applicable City, State, or Federal taxes. Faculty have the option to deposit some or all of their sick and/or vacation payout into a 403B account. However, they should be mindful of the impact this may have on the university's ability to deposit the \$50,000 or \$80,000 incentive into a 403B.

Faculty Members are advised to seek guidance from their respective financial advisors.