

Frequently Asked Questions

Ohio University 2020 Faculty Voluntary Separation or Retirement Program

BACKGROUND AND ELIGIBILITY FOR THE PROGRAM

1. What is the program being offered?

The University is offering certain faculty and staff with faculty rank and status the ability to voluntarily separate or retire from the University on May 31, 2020 in exchange for a severance incentive payment, and for participants in the University's health insurance plan, an additional insurance supplement to assist with purchasing insurance on the external market.

There are two ways participants can separate employment with the university under the program. Individuals eligible to retire can separate employment via a retirement separation. Individuals not eligible to retire can separate employment through a voluntary separation.

To be considered a retiree, you must meet the eligibility requirements in University Policy 41.090 by May 31, 2020. Per University Policy 41.090 to separate service as a retiree you must be a benefits eligible employee per University Policy 41.101, have at least five years of service with the University, and must have achieved a total qualified service and age combination of at least five years of service and least age 60, or at least 25 years of service and at least age 55, or at least 30 years of service at any age. You do not need to retire from STRS or your Alternative Retirement Plan to separate service from the University as a retiree.

2. Why is the University offering early retirement incentives to faculty and staff?

The University is offering early retirement incentives for operational and budgetary purposes.

3. Who is eligible to participate in the program?

The program is being offered to tenured professors; tenured associate professors; and administrative staff with the academic rank of tenured professor or tenured associate professor.

Eligible Employee does not include: (i) all employees of the Heritage College of Osteopathic Medicine, including tenured professors; tenured associate professors; and administrative staff with the academic rank of tenured professor or tenured associate professor; (ii) visiting, temporary, or on-call employees; (iii) special contract employees; (iv) any employees who have previously agreed to a buy-out offer, including an early retirement incentive plan; (v) an employee who has participated in the faculty early retirement program; (vi) an employee who has received notice of separation from service on or before May 31, 2020, including notification of a nonrenewal of an employment agreement; and (vii) the positions of President, Executive Vice President and Provost, and Chief Medical Affairs Officer.

4. I am not eligible for retirement benefits under STRS, OPERS, or ARP rules. Am I still permitted to participate in this program?

Yes. This program is a voluntary separation **or** voluntary retirement program. If you are eligible to retire from the university, your separation can be considered a retirement. If you are not eligible to retire from the university, you can still participate as a voluntary separation.

Please note: Your eligibility for retirement benefits under STRS, OPERS, or ARP rules are separate from your eligibility for retirement under University Policy 41.090 and this program. You should contact STRS, OPERS, or your ARP provider if you have any questions about your eligibility for those retirement benefits.

5. I separated from the University under a voluntary separation or early retirement incentive program offered in the past or via the Faculty Handbook early retirement program. Am I still permitted to participate in this program?

No. Employees who have retired under previous voluntary or retirement incentive programs offered by the University or the via Faculty Handbook early retirement program are not eligible to participate in this program.

6. I provided notice of my intent to retire in 2020 before the University announced this program. Am I still permitted to participate in this program?

Employees who indicated their intent to retire in 2020 may participate in this program provided they have not already separated service from the university and meet the eligibility requirements on or before May 31, 2020.

INVENTIVE BENEFITS AND PAYMENTS

7. If I participate in this program, what benefits will I receive?

All participants will receive a payment equal to 100% of the Eligible Employee's Base Rate of Pay. Base rate of pay does not include additional pay such as overloads, summer teaching, additional pay, and etc.

The total amount of the base rate of pay payment will be made to the Eligible Employee in four equally divided payments on the following schedule: (1) the final payroll processed in July 2020; (2) the final payroll processed in December 2020; (3) the final payroll processed in July 2021; and (4) the final payroll processed in December 2021.

For an Eligible Employee enrolled in the University's medical insurance plan as of February 1, 2020, an additional taxable payment of \$20,000 to help defray the cost of medical expenses. This payment will be processed in the final payroll in July 2020.

The base rate of pay payment and health care payment will not include employee or employer contributions to retirement plans.

Participation in and receipt of any and all other retirement plans and benefits offered to an Eligible Employee will remain unchanged. For example, Faculty who participate and are eligible to retire will also receive the retirement sick leave pay out normally provided to retirees by university policy. See the FAQ regarding unused sick leave pay.

Separating (non-retiring) eligible employees and their qualified dependents who are currently enrolled at the University are eligible to receive educational benefits as set forth in University Policy 40.015 and 40.016 continuing on the exit date of May 31, 2020 and terminating on or before December 31, 2022 for undergraduate and graduate benefits. Such educational benefits are considered taxable income. The University will furnish the separating employee with proper tax-related documentation to include when filing their taxes.

Retiring Eligible Employees and their dependents are eligible to receive the education benefits as set forth in University Policies 40.015 and 40.016 (as may be amended, restated or rescinded in the future.)

8. Are these payments retirement benefits?

No. The payments made to participants are considered severance payments. This early retirement incentive program is not a retirement program and is not intended to provide retirement income.

9. How will I receive the payments?

All payments will be made via the university payroll process. Meaning they will be paid in the same manner that you currently receive your current semi-monthly pays (direct deposited to your current bank).

10. Will I be taxed on the payments I receive?

Yes. Both the incentive payment and the additional health insurance supplement are subject to income tax and withholdings required by federal and state law. However, the payments do not include employee or employer retirement plan contributions.

11. How will unused vacation be paid out to me?

If you were eligible for vacation time, unused vacation time will be paid out in accordance with University Policy 41.001. Consistent with this policy, eligible, earned, and unused vacation time will be paid out in a lump sum payment at the employee's current rate of pay upon separation or retirement from the University. The payout is limited to a maximum of 32 days. Vacation pay outs will be paid in the pay period following May 31, 2020, or as soon as feasible thereafter.

12. How will unused sick pay be paid out to me?

In accordance with University Policy 40.029 unused sick leave is paid out only to participants who are retiring with 10 or more years of service. Retirees with 10 or more years of creditable state service may elect to be paid for one-fourth of their sick leave balance up to a maximum of 30 days, or carry forward the total sick leave balance for future anticipated state employment. Retirees with fewer than 10 years of creditable state service, or participants who are not eligible to retire will not be paid out any unused sick time. Sick pay outs will be paid in the pay period following the May 31, 2020 exit date, or as soon as feasible thereafter.

PROCESS TO PARTICIPATE IN THE PROGRAM

13. How do I indicate my interest in participating?

If you wish to indicate your interest in participating in the early retirement incentive program, complete the VSRP Election Form, and the Release and Waiver of Claims Agreement form and submit them to Human Resources by March 21, 2020. The program requires you separate employment or retire on May 31, 2020.

On or after May 31, 2020 you must complete a second Release and Waiver of Claims Agreement form. Failure to complete the second Release and Waiver of Claims Agreement form will result in incentives being withheld.

14. If I indicate my interest in participating, am I guaranteed to be part of the program?

Yes assuming you meet all eligibility and other requirements of the plan.

15. How do I decide my separation or retirement date?

Under the terms of the program, participants must separate employment or retire on May 31, 2020. No other separation or retirement dates are allowed.

16. May I change my mind after I submit the required forms?

After you submit the required forms you will have 7 days to revoke your agreement.

17. What happens after I submit my Application to Participate?

If you do not revoke your agreement, you are expected to perform your normal duties through the May 31, 2020 separation date.

POST RETIREMENT CONSIDERATIONS

18. May I work part-time at the University after my retirement or voluntary separation?

No. By participating in the program you agree not to seek reemployment with the University at a later date, including part-time employment. Faculty should be aware that this program operates differently from the early retirement program in the Faculty Handbook, and by participating in this program, faculty waive any such reemployment rights they may have under the Faculty Handbook.

19. What benefits or perks will I receive as a retiree of the University?

Participants who are eligible to retire and their qualified dependents continue to be eligible for Educational Benefits under University Policies 40.015 and 40.016 (as may be amended, restated or rescinded in the future) and may have the option to purchase a retiree parking permit, continue library privileges, and continue use of Ohio university email.

20. Will I receive unemployment benefits?

No. Your participation in this program precludes you from receiving unemployment benefits.

OTHER QUESTIONS

21. If I have other questions not answered here, who should I contact?

Contact UHR-Benefits at benefits@ohio.edu or (740) 593-1636.