

SAMPLE



FACULTY EARLY RETIREMENT INCENTIVE PROGRAM AGREEMENT

This Agreement, made this ____ day of _____, 2008 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 Program, pursuant to which tenured faculty members may apply for early retirement consistent with the eligibility criteria, process and procedure set forth in the FERIP Program and the Guidelines; and

WHEREAS, Faculty Member has made application for early retirement pursuant to the FERIP Program 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 tenured faculty position with the University in its School or College of _____, Department 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 and begin receiving retirement benefits, the Faculty Member will undertake to make application for retirement through the Virginia Retirement System or other optional retirement program in sufficient time to allow such benefit payments to be made upon the effective date of retirement.
3. In exchange for Faculty Member's agreement to retire and/or resign from full time employment with the University, Faculty Member will be entitled to participate in the

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4. Virginia Commonwealth University Supplemental Retirement Plan for Faculty (the “Plan”), which is a plan designed to support the FERIP Program. 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 that were deemed eligible for participation in the FERIP as of July 1, 2007 *or* 150% of the faculty member’s base annual salary at the time of election to participate, whichever is less. For this 2007 calculation, average university salary, as determined by the University, is \$110,962 and the monthly installment is \$1,849.37; 150% of the faculty member’s base annual salary at the time of election to participate is \$ _____ and the monthly installment is \$ _____. The Faculty Member’s monthly installment, therefore, will be \$ _____. 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 plan pursuant to the U.S. Federal Internal Revenue Code of 1986.
5. Pursuant to the provisions of the FERIP Program, in the event the Faculty Member becomes permanently and totally disabled after this Agreement is signed but before the effective date of Faculty Member’s retirement and/or resignation, the University, nevertheless, will be responsible for providing 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.
6. Participation in this early retirement incentive program will not preclude the faculty member from some continued employment with the University or with another Virginia agency or institution on a part – time basis, (in a position not eligible for Virginia Retirement System or Optional Retirement Plan) subject to the needs and approval of the appropriate unit of the University or other Virginia agency or institution. Possible opportunities at VCU may include adjunct teaching and other instructional and research activities. The faculty member will be required, however, to withdraw from active participation in the Virginia Retirement System (VRS) and/or an Optional Retirement Plan (ORP) and may not be employed in any position or capacity that requires participation in the VRS or ORP.
7. If the Faculty Member retires and participates in the Commonwealth of Virginia’s health care retirement plan, 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.
8. If Faculty Member chooses not to retire and to defer receipt of retirement benefits, but will participate in 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 for up to 18 months following the end of the month of the date of separation. By selecting this option, the Faculty Member agrees to keep

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the University Payroll Office informed in a timely fashion as to the Faculty Member's participation and termination of COBRA.

9. Faculty selected to participate in the FERIP program will have 30 days from the date of this agreement to execute this FERIP agreement or the agreement will be null and void.
10. By executing this Agreement, the Faculty Member acknowledges and certifies that he/she is eligible for participation in the FERIP program. To be eligible to apply for participation in the FERIP program, a faculty member must be tenured and either (1) must be at least 60 years of age and have at least 10 years of 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 service must be at least 80. Participants must agree to withdraw from active membership in the VRS and/or an Optional Retirement Plan (ORP). If the Faculty Member retires and/or resigns under this FERIP program, the University will cease contributing to the Faculty Member's VRS or Optional Retirement Plan account.
11. 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.
12. The laws of the Commonwealth of Virginia will govern this Agreement.

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WITNESSETH the following signatures this ____ day of _____, 2008.

Faculty Member

[Signature]

“Given under my hand this ____ day of _____, 2008.”

Notary Public

Commission Expires

Vice President for _____
Virginia Commonwealth University

[Signature]

“Given under my hand this ____ day of _____, 2008.”

Notary Public

Commission Expires

Attachments

Exhibit A -- Faculty Early Retirement Incentive Program

Exhibit B -- Faculty Early Retirement Incentive Program Implementation Guidelines

Revised July 19, 2007