



VCU Faculty Early Retirement Incentive Program (FERIP)

IMPLEMENTATION GUIDELINES

General Process of Preparation and Approval of FERIP Agreement

Application:

1. The application consists of the faculty request to be considered for participation in the FERIP and the recommendations of the department chair, dean, vice president and president.
2. The application period begins on the date the eligible faculty submits the request to be considered for participation in the FERIP through the date the President makes a final decision on the application.

Timetable:

1. Not later than May 1, the Provost and Vice President for Academic Affairs, in consultation with the Vice President for Health Sciences, will recommend to the President whether FERIP will be offered the next academic year. The President will make a final decision no later than May 15. Notification of the availability or unavailability of FERIP will be made on the VCU Web site, and other media, as appropriate.
2. In the event the FERIP is to be offered, the Provost and Vice President for Academic Affairs and the Vice President for Health Sciences will consult on the number of slots to be offered, the preliminary allocation of available slots between campuses, and, if appropriate, whether any schools/college or departments are to receive special consideration. Decisions will be reported not later than Aug. 1 and will be communicated to the academic deans, who immediately will notify eligible faculty in their school/college.
3. An annual application period will be established by the university administration each year in which the program is offered. Until further notice, faculty who desire to participate in FERIP must submit applications between Oct. 1 – 31.
4. Deans will confer with their department chairs and make recommendations regarding those proposed applications to the Provost and Vice President for Academic

Affairs and the Vice President for Health Sciences not later than November 15. These recommendations must be in writing and must address selection criteria as well as specify how the ongoing instructional and research requirements of the school/college will be met in the event applications are approved.

5. In the event that the number of eligible applicants exceeds the number that the dean determines the school/college can support, or upon consideration of other circumstances, the dean either may decide which applications will be submitted for approval or, in the alternative, may choose the option of referring the names of all the eligible applicants, along with appropriate documentation, to a university panel appointed annually by the Provost and Vice President for Academic Affairs and the Vice President for Health Sciences in consultation with the President of the Faculty Senate. The panel will determine which applicants from the particular school/college should be recommended to the vice presidents.
6. By Dec. 15, the Provost and Vice President for Academic Affairs and the Vice President for Health Sciences will confer and will make recommendations regarding the proposed agreements to the President.
7. The President will make a final decision as to which applications will be approved by Jan. 10.
8. By Jan. 15 all faculty who have applied will be notified in writing by their dean whether acceptance of their respective applications has been approved or disapproved. Those faculty selected to participate will receive a FERIP agreement and will have 30 days from the date of the agreement to accept or decline.
9. The President has the authority to make exceptions to this timetable if he/she determines that such exceptions are justified and necessary.

Funding:

The source of funding of each approved FERIP application will be the position budget from which the retiring faculty member is separating. If the participant's salary is paid from grant or contract funds, then the share of the costs attributable to that fund source will have to be absorbed by other fund sources within the school/college. The cost would include the payout of annual leave balances, the incentive payment, plus FICA, and the annual health insurance supplement until the participant is Medicare eligible or for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Insurance:

1. Retiring faculty (faculty who choose to begin receiving their state retirement benefits) who participate in the state's retiree health care plans will receive a health care

supplement until the participant becomes Medicare eligible (currently age 65). The amount of the health care supplement is \$300 per month and will be paid through the Virginia Commonwealth University Supplemental Retirement Plan for Faculty (“Plan”).

2. Separating faculty (faculty who choose not to begin receiving their state retirement benefits) who participate in COBRA will receive a \$300 health care supplement for up to 18 months paid through the Plan.

Payroll and benefits process:

1. The VCU Human Resources Division will provide counseling for eligible FERIP participants. The university, however, will not provide tax-counseling services.
2. Once a FERIP agreement has been signed by all parties, the faculty member will complete either the retiree health care application or the COBRA application (whichever is appropriate), and submit it to the VCU Human Resources Division.
3. The VCU Human Resources Division will process the agreement and will notify the VCU Payroll Office of the effective date of the faculty member’s retirement.
4. The VCU Payroll Office will determine the length of time the supplement will continue, and will so notify the faculty member.
5. The VCU Payroll Office will include the retiring faculty member in the FERIP payroll tracking system.
6. The VCU Payroll Office will remit monthly health care supplement to the faculty member.
7. A retiring faculty member who participates in a COBRA plan is responsible for ensuring that the VCU Payroll Office is informed as to the family member’s insurance plan and premium amount.
8. The VCU Payroll Office will terminate the health care supplement when the retiree is eligible for Medicare (currently age 65) or is no longer eligible for COBRA continuation.