

**FLORIDA ATLANTIC UNIVERSITY
VOLUNTARY RETIREMENT/ RESIGNATION INCENTIVE PROGRAM**

FREQUENTLY ASKED QUESTIONS

Florida Atlantic University is pleased to offer another opportunity to participate in the Voluntary Retirement Incentive Program (the “Program”) to its tenured faculty members. The following are Frequently Asked Questions about the 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 the Program?

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

- a. Full-time (defined by University policy as employees whose appointments total 1.0 FTE) tenured faculty or full-time administrators within Academic Affairs with tenure, 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 administrators at the rank of assistant dean and higher may seek written approval from the President to participate in the Program.

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

Yes. The Program would **not** be available to faculty in any of the following categories:

- 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 prior to April 30, 2024;
- 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).

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

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 the Program is that the employee agrees to retire **on or before August 5, 2024 if the Summer semester is chosen or on or before December 20, 2024, if the Fall semester is chosen.**

Tenured faculty who participate in the Program would receive a 100% research/scholarship assignment for the Summer or Fall 2024 semester to allow them to complete their career with FAU as a full-time faculty member.

6. How will eligible employees enroll in 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 May 03, 2024 through May 31, 2024 (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 the Program 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 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 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 2024 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 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. Current University policies governing faculty benefits are [summarized](#) on the HR website and further detailed in FAU Policies and Procedures [7.5 Personnel](#). For College of Medicine faculty, please visit: <https://www.fau.edu/medicine/documents/faculty-benefits-policy.pdf>.

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

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

“Resignation” is your decision and voluntary action to separate employment from the University. With resignation, any and all future employment opportunities with the University is at your discretion, and contingent upon the employment opportunities

afforded by the University. With resignation, you are eligible for COBRA, which enables for either “continuation” or “conversion” of each of your currently enrolled benefits and benefit plan. Specific to health insurance, you may “continue” current elected coverage for up to (minimally) 18 months, and in special circumstances, possibly extend up to a maximum of 36 months. Your FRS retirement plan (SUS-ORP or Pension or Investment Plan) must remain untouched and will continue to be administered by Florida Retirement System (FRS).

“Retirement” is your decision and voluntary action to separate employment from the University, with the intent to not return to active employment with the University or any FRS employer for minimally the length of separation required and requires you to take a distribution from your FRS retirement plan (SUS-ORP or FRS Pension Plan or FRS Investment Plan). The required length of separation from the University and any FRS employer is contingent upon your FRS retirement plan and can range anywhere from (minimally) 3 months to 12 months after the date of your first qualifying distribution from your FRS retirement plan. Retirees, while still eligible for COBRA continuation or conversion privileges for their current enrolled benefits and benefit plans, are also afforded eligibility for continuation of the State of Florida health insurance for their lifetime, provided they retire directly from an FRS employer and continue with their current health insurance at the time of retirement. For additional information on “Retirement from an FRS employer” please contact [FRS](#) at (844) 377-1888 or Benefits Services within FAU’s Office of Human Resources at benefits@fau.edu.

14. Can an employee who separates from the University through 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?

To discuss “retirement” from the University, you may schedule a meeting with a Benefits Specialist in the Office of Human Resources at benefits@fau.edu. It may also be very valuable for you to review retirement resources at [MyFRS](#) and contact FRS directly at (844) 377-1888.

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 2024 tax rates).

Wage Limits and Tax Rates		
Tax Type	Tax Rate	Taxable Wage Base Limit
Federal	22.00%	No Limit
Social Security	6.20%	\$168,600
Medicare	1.45%	No Limit
Additional Medicare	0.9%	\$200,000

18. Would there be 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)?

Yes, you are eligible to contribute to your 403(b) and/or 457 accounts up to the IRS annual limits, up to the date of your retirement from the University. And, while your lump-sum severance payment does not qualify, you are eligible to “shelter” the entirety of your leave payout (a/k/a directing a portion or all of your leave payout proceeds as contribution to your 403(b) and/or 457 account) provided that amount does not exceed the IRS annual limit.

22. Will I be eligible for COBRA?

Yes, whether you resign or retire from FAU, both those separation options enable you for COBRA. You will receive COBRA notification from PeopleFirst, who administers the State of Florida benefit plans. The main difference in regards to eligibility for COBRA between a resignee vs. a retiree is that in addition to the normal provisions afforded under

COBRA for both a resignee and a retiree (which is entitled continuation or conversion of all applicable benefits and benefits plans) a retiree (under Florida statues) is also eligible to continue their current elected State of Florida health insurance plan for life, provided they retire immediately from the FRS employer at the time of “retirement” (as defined and described in question #13).

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

Any and all “dependents” currently covered in the health plan will remain covered at resignation or retirement and remain eligible for continued coverage, both under COBRA and the retiree health insurance election.

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

The University will begin to notify people of their status in the Program as soon as possible following the May 17, 2024 application deadline.

25. If I am not accepted into 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.

26. 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.

27. 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 Payroll. 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.

28. Will acceptance into 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.

29. 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. For more information, please contact the [FAU Benefits Department in Human Resources](#).

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

30. I am already enrolled in DROP. If I decide to participate in this Program, how will this affect my DROP enrollment?

DROP participants can terminate from the DROP program at any time. The DROP lumpsum accrual amount is determined by the number of months of participation in DROP. DROP members can contact FRS regarding their DROP accrual amount and related questions.

NOTE: DROP participants are already considered “retired” by the State of Florida and must begin receiving their retirement benefit, either on the date of their DROP agreement, or when they cease employment with the FRS employer, if they separate employment earlier than the date on the DROP agreement.

31. 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.

32. I was awarded a sabbatical in either academic year 2023-2024 or 2024-2025. How will this program impact the terms of my sabbatical?

For those who participated in sabbatical leave in academic year 2023-2024, 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 2024-2025 academic year and wish to participate in this voluntary program, you will need to rescind your sabbatical if selected for this program.

33. 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 20, 2024.

34. 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.