

VOLUNTARY RETIREMENT INCENTIVE PLAN

TAUP and Temple administration have reached agreement on a Voluntary Retirement Incentive Program (VRIP), which provides eligible faculty with an incentive stipend of 50% of annual base salary plus \$1,000 for each year of continuous service at Temple, if they choose to retire either on June 30, 2012 or December 31, 2012.

The plan is being offered only to tenured faculty who will be at least 65 years old as of the date of retirement. In negotiations, TAUP sought a larger stipend and extension to NTT faculty. The plan agreed to, however, was the best that could be achieved.

TAUP calculates that there are approximately 200 faculty who would meet the eligibility criteria by December 31, 2012. The VRIP is intended to reduce the university's costs and to benefit faculty who are considering retirement in the near future. Of course, it is purely voluntary, and no one should feel coerced into it.

We are announcing the VRIP now so eligible faculty have as much time as possible to consider the plan and their options. Naturally, there are tax and investment consequences to take into account. TAUP plans to hold a symposium early in the window period for eligible faculty to interact with retirement counselors from a financial institution.

The administration is preparing the necessary information and forms for availability soon.

Eligibility

You are eligible to participate in the plan only if you meet all of the following criteria.

For a retirement date of June 30, 2012, you must:

- Be a full-time, tenured faculty member employed by Temple as of June 30, 2012;
- Be at least 65 years old as of June 30, 2012; and
- Have at least 10 years of continuous service with Temple as of June 30, 2012.

For a retirement date of December 31, 2012, you must:

- Be a full-time, tenured faculty member employed by Temple as of December 31, 2012;
- Be at least 65 years old as of December 31, 2012; and
- Have at least 10 years of continuous service with Temple as of December 31, 2012.

Incentive Payment

Eligible faculty who choose to retire under the VRIP will be entitled to a lump-sum cash payment equal to:

- 50% of your annual base salary; plus
- \$1,000 for each completed year of service with Temple.

For example, if your base salary is \$100,000 and you have been on the faculty for 30 years, you could receive an incentive payment of \$80,000 (i.e., \$50,000 + \$30,000).

Transition to Retirement Plan Enrollees

Those who have been in the Transition to Retirement Plan (TTR) and who entered the plan after April 2011 will be eligible to participate. However, their actual salary as of June 30, 2012, would

be the basis for the calculation of the 50%. Since those on TTR are already on 50% salary, that would provide them with ½ of that (25% of original base salary), plus, of course, \$1,000 per year of service. Thus, if your original salary had been \$100,000, as of June 30, 2012, your reduced salary would be \$50,000. If you had 30 years service by that time, then your incentive payment for the VIRP would be \$55,000 (i.e., \$25,000 + \$30,000).

Window and Rescission Periods

The window period for enrolling in the VRIP runs from Wednesday, February 1 through Friday, March 30, 2012. Once you sign the relevant documents, you will have a seven-day rescission period within which you can change your mind and withdraw.

At this time, TAUP is giving you all the information we have. Nevertheless, if you have questions, please contact us at 1-7641 or taupaft@aol.com.

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