

UNIVERSITY OF MARY WASHINGTON

FACULTY EARLY RETIREMENT INCENTIVE PROGRAM (FERIP) FREQUENTLY ASKED QUESTIONS 2023-24

1. What is FERIP?

FERIP is an acronym for UMW's Faculty Early Retirement Incentive Program, which provides a financial incentive for certain tenured faculty. FERIP is designed to facilitate the release of tenured faculty resources for budget reallocation or reduction to help support UMW's strategic priorities, changes in enrollment and other University needs.

2. Who may apply to participate in UMW's FERIP?

To be eligible to be a participant under UMW's FERIP policy, a person must:

- i. Be at least sixty (60) years of age;
- ii. Be a full-time employee in a non-classified instructional faculty position (or be on leave from such full-time status) with at least 10 years of full-time service with the University;
- iii. Be tenured;
- iv. Agree to withdraw from active membership in the Virginia Retirement System, if applicable; and
- v. Satisfy any additional criteria established by the Board of Visitors of the University relating to participation under the policy.

Note: Administrative and Professional faculty members are not eligible for the FERIP.

3. What is the financial incentive offered under UMW's FERIP?

Under UMW's FERIP, eligible participants will receive one hundred percent (100%) of the participant's final base salary as reflected in the records of the University. This will be paid in monthly installments over a two-year period beginning in July immediately following the termination of the faculty contract. **Important Note:** Payments are subject to employment taxes and must be made through the payroll system so that a W-2 will be generated and all taxes withheld accordingly. In addition, they are considered supplemental wages so the federal tax withholding rate is 22% and the Virginia withholding rate is 5.75%.

4. How can I confirm that I am eligible for UMW's FERIP?

UMW's Office of Human Resources will notify each faculty member who it has determined is a potential eligible employee based on age, years of eligible service, tenure, and full-time status.

5. Am I eligible if I already applied for retirement?

You are not eligible for the FERIP if you have already applied for retirement or have agreed to terminate employment with the University.

6. How do I apply for the FERIP?

An application form is available for download on the website for the Office of Human Resources. Eligible employees must complete the form and submit the application to the Office of Human Resources during the Application Period.

7. When is the Application Period and the required Retirement Date?

For the current FERIP cycle, the application period will be September 18, 2023 to November 2, 2023. If approved, the required retirement date will be June 1, 2024.

8. What happens after I apply for the FERIP?

The Office of Human Resources received the application and confirms eligibility. The Deans and Department Chairs will evaluate the impact to the Department. Recommendations from the applicable Dean will be approved or disapproved centrally by the Provost, the Vice President for Administration and Finance, the Associate Provost for Diversity and Inclusion and the Executive Director of the Office of Human Resources.

9. How will I know if my application has been approved?

The Office of Human Resources will notify eligible applicants of the approval or denial of their applications.

- If the application is approved, the Office of Human Resources will notify the eligible applicant by sending a customized FERIP Program Agreement for signature. In order to participate in the FERIP, the faculty member must return the signed agreement within 30 days of receipt.
- If the application is denied, the Office of Human Resources will notify the applicant.

10. Do I have to do anything else if my FERIP application is approved?

Yes. If approved for the FERIP, approved applicants:

- Must submit a signed FERIP Program Agreement to the Executive Director of the Office of Human Resources. An executed agreement shall be binding on both the University and the approved participant, subject only to timely revocation as provided in the FERIP Agreement.
- Will need to schedule an appointment with UMW's Benefits Administrator to discuss applying for retirement.
- **Must apply for retirement**, which is a separate process from applying for the FERIP
- If a VRS member, must agree to withdraw from active membership in the Virginia Retirement System (VRS).

11. What happens if I die or become disable after being approved for the FERIP?

In the event an approved applicant becomes permanently and totally disabled after being approved for the FERIP and signing the FERIP Agreement, but before any or all of the retirement incentive payments have been made, the approved applicant will continue to receive any remaining benefits under the FERIP.

In the event an approved applicant dies after being approved for the FERIP and signing the FERIP Agreement, but before any or all of the retirement incentive payments have been made, neither the approved applicant nor their heirs or representatives shall be entitled to any remaining payments under the FERIP.

12. Can I be rehired after I retire?

An approved participant in the FERIP must agree to retire from all service with the Commonwealth of Virginia and/or any of its Agencies effective as of their retirement date in order to participate in the FERIP. FERIP participants must agree to withdraw from active membership under the Optional Retirement Plan or Virginia Retirement System as applicable, effective as of their retirement date.

Participants who retire under the FERIP may be reemployed by the Commonwealth of Virginia and/or any of its Agencies following their retirement date, but only as an adjunct faculty member or in a non-benefited position following a bona fide break in service of at least one full fall or spring semester. Future employment may not be discussed informally or formally with the University or any other Commonwealth of Virginia employer until after the required break in service is complete.

13. Where can I find more information about the FERIP?

- Visit the FERIP program documents
- Contact Denise Frye, UMW Benefits Administrator, Denise Frye, at dfrye2@umw.edu