

**TEMPLE UNIVERSITY
VOLUNTARY RETIREMENT INCENTIVE PLAN
FOR ELIGIBLE TENURED FACULTY (2023)**

Frequently Asked Questions

The following FAQs are intended to assist you in deciding whether to participate in the Temple University Voluntary Retirement Incentive Plan for Eligible Tenured Faculty (2023) (the “Plan”).

Although the Plan applies to all eligible faculty, we understand that you may have specific questions based on your individual situation. For answers to questions specific to your circumstances, we encourage you to contact Heather Woods, Assistant Vice President, Human Resources – Benefits. Ms. Woods can be reached via e-mail at heather.woods@temple.edu. In addition, we encourage you to consult with an attorney before deciding whether to participate in the Plan.

General Questions

Q) When can I enroll?

A) The enrollment period begins on Tuesday, January 3, 2023 and ends on Friday, February 17, 2023 at 5:00 p.m.

Q) How long do I have to think about this?

A) The Plan is **completely voluntary**. If you wish to enroll, you must do so by Friday, February 17, 2023 at 5 p.m.

Q) Can I enroll and then change my retirement date?

A) Once you complete and return your Election Agreement, there is a 7-day period during which you may revoke your election. Once that period has elapsed, you may not change your retirement date.

Q) What does the Plan offer?

A) The Plan provides electing faculty members with 50% of their annual, base salary plus \$1,000 for each completed year of service with the University. If you elect to retire on December 31, 2023, your benefit under the 2023 VRIP will be taxable in 2023, even though it will be paid in January 2024. This tax consequence is the result of special tax rules under the Internal Revenue Code that only apply to governmental and tax-exempt entities, such as the University. Your 2023 Form W-2 from the University will include the Plan payment.

Q) Where do I deliver my Election Agreement?

A) You should deliver the signed and notarized Election Agreement to Heather Woods, Assistant Vice President, Human Resources – Benefits, Mitten Hall – Lower Level, 1913 N. Broad Street, Philadelphia, PA 19122.

Q) Why must I sign a General Release of Claims?

A) The General Release of Claims assures the University that there are no remaining issues following your retirement. In return for this release, you will receive the Plan benefits of 50% of your annual base salary, plus \$1,000 for each year of service. Please note that, as stated in the release, you are not being asked to waive claims that may arise after you sign the release.

Q) Is it true that I will give up my grievance rights?

A) You are NOT giving up your grievance rights while you are employed by the University. If a grievance arises during the remainder of your employment, you have the right to file a grievance. However, if there is no resolution by the date of your retirement, that claim is released. Again, we encourage each faculty member to evaluate his or her individual circumstances.

Q) What if I file a grievance between the submission of my Election Agreement and my retirement date and it is not resolved by the time I am to retire?

A) If your grievance is not resolved by your retirement date, you will need to evaluate whether the possible outcome of any grievance is more valuable to you than the guaranteed payment you will receive under the Plan. If you decide the value of the grievance is worth more to you, you can elect not to sign the General Release of Claims. However, you will not be able to change your retirement date once the Election Agreement becomes effective. Again, we encourage each faculty member to evaluate his or her individual circumstances.

Q) Is a general release standard for such programs?

A) Yes, a release is standard for such agreements. Again, we encourage you to consult with an attorney.

Q) Does this release mean I am giving up benefits I would otherwise be entitled to receive, such as post-retirement health or COBRA?

A) No. The agreement clearly states that the monetary payment you will receive is IN ADDITION to anything of value to which you are or might otherwise be entitled. Your retirement under the Plan is exactly as if you were retiring under the usual circumstances except that you will be receiving the incentive payment in consideration for the General Release of Claims.

Q) What if circumstances prevent me from delivering my signed General Release of Claims on the date specified?

A) When you know or become aware of circumstances which would or could prevent you from complying with this requirement, please contact Heather Woods, Assistant Vice President, Human Resources – Benefits, to discuss alternatives. In such a case, the University will do its best to accommodate your unique circumstances.

Payment Questions

Q) How will my annual base salary be determined for the purposes of calculating my payment?

A) The payment will be based on your annual base salary as of the date of your retirement.

Q) How will my annual base salary be determined if I need to take a leave that extends through the date of my retirement?

A) If you are on an approved leave or sabbatical, the payment calculation will be based on your full annual base salary.

Q) If I elect to enroll, when will I receive my payment?

A) If you elect to retire on June 30, 2023, you will receive your payment in a lump sum within 60 days of your retirement date, assuming you sign the General Release of Claims on a timely basis. If you elect to retire on December 31, 2023, you will receive your payment in a lump sum within 30 days of your retirement date, assuming you sign the General Release of Claims on a timely basis. Faculty members who retire in December 2023 are paid on a more expedited basis so that the Plan benefit can be included in their 2023 Forms W-2, which will be provided to employees at the end of January 2024.

Q) Will my payment be taxed?

A) Yes, the payment is subject to all federal, state and local tax withholdings, including Medicare. Federal taxes will be withheld at the federal supplemental tax rate of 22%.

Q) If I elect to retire on December 31, 2023, will my payment be made to me in 2023 or 2024?

A) You will receive the payment in 2024, but it will be includible in income for tax purposes in 2023.

Q) What happens if I enroll in the VRIP and then die before my retirement date?

A) The cash payment will be paid to your spouse, certified domestic partner or estate.

Benefit Questions

Q) What happens to my health insurance?

A) If you were eligible and contributed the required 10 years of payments to the Retiree Pre-Funding Plan, then you will be enrolled in retiree health coverage effective upon your retirement date. A member of the Benefits staff will contact you to schedule a retirement interview to discuss the specifics of your situation.

Q) What about my other benefits?

A) You will receive COBRA information giving you the option to continue dental and vision benefits for up to 18 months following your retirement. All other benefits, such as life insurance, disability and retirement plan participation will end effective with your retirement date.

Q) If I want to retire June 30, 2023, is it possible to maximize my tax-sheltered contributions for 2023?

A) Yes, provided your net pay for the first six months of 2023 is sufficient. Contact Heather Woods, Assistant Vice President, Human Resources – Benefits, and she will discuss this with you.