



Faculty Early Retirement Incentive Plan Proposal

*The Personnel, Compensation & Governance
Committee Board Report
Mrs. Tanya L. Simmons, MPA, CPB
Associate Vice President for Human Resources
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VIRGINIA CODE § 23.1-1302

EARLY RETIREMENT INCENTIVE PROGRAM PROPOSAL

Under the Code, the governing board of a public higher education institution may establish a compensation plan to incentivize voluntary early retirement for Tenured, Teaching & Research Faculty.

The total cost for any compensation plan established under this section shall not exceed one percent of the institution's faculty salaries and associated benefits.



University Staff Incentives

Because the desire is to have the ability to offer a voluntary incentive to all faculty and staff, we are in conversations with the Office of the Attorney General to explore the possibility.



Action Items

We are asking the Board of Visitors to approve

1. The implementation of ERIP
2. Approval to exceed the VA Code of 1% of faculty salaries/fringe benefits to 5%



VIRGINIA CODE § 23.1-1302

EARLY RETIREMENT INCENTIVE PROGRAM PROPOSAL

ELIGIBILITY

- ❖ Tenured teaching & research faculty
- ❖ Age 60 with 10 or more years of full-time service at VSU
- ❖ Must actively withdraw from the Virginia Retirement System (VRS) and/or Optional Retirement Plan (ORP) which means agree to retire



EARLY RETIREMENT INCENTIVE PROGRAM

- ❖ Out of 273 Teaching/Research Faculty
- ❖ 64 are tenured and meet the Age/Svc requirements
- ❖ 23% of the Teaching/Research Faculty
- ❖ University Succession Plan



EARLY RETIREMENT INCENTIVE EXAMPLE

- ❖ 2% of Base Salary X Total Years of Service
- ❖ \$15,000 Health Care Lump Sum Payment
- ❖ Up to \$95,000
- ❖ Payments must be allocated over at least two years



Proposal Example

Early Retirement Incentive Payment Proposal			
Age	61	68	72
Base Salary	\$75,000.00	\$98,500.00	\$111,900.00
Years of Service	25	30	37
2% of Base Salary			
	\$1,500.00	\$1,970.00	\$2,238.00
Total Years of Service	25	30	37
Incentive Payout	\$37,500.00	\$59,100.00	\$82,806.00
Health Care Lump Sum Payment Incentive	\$15,000.00	\$15,000.00	\$15,000.00
Total Incentive to Voluntary Retirement*	\$52,500.00	\$74,100.00	\$97,806.00
<i>*Capped at \$95,000.00</i>			



Review & Approvals

The plan must be reviewed by:

- ❖ The President
- ❖ Department of Human Resource Management (DHRM)
- ❖ Virginia Retirement System (VRS)
- ❖ Faculty Senate (FS)



Review & Approvals

The plan must be approved by:

- ❖ The President
- ❖ Faculty Senate (FS)
- ❖ Board of Visitors (BOV)
- ❖ Attorney General's Office (OAG)
- ❖ State Council of Higher Education for Virginia (SCHEV)
- ❖ Secretary of Education (Governor's Office)



Climate Survey & Salary Equity Study Update

After being stalled due to the pandemic, we have identified two vendors that we will move forward with oral presentations and negotiations.

