

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

FACULTY REINVESTMENT PROGRAM (FRP)

SPRING 2010

I. PURPOSE: Quality, experience and expertise in emerging disciplines and pedagogical approaches are key ingredients in a University faculty. A balance between experience and innovation are essential to the advancement of the institution. Some of the most important innovations in science, the humanities, and social sciences occur at the boundaries among the disciplines. Rutgers often is at a competitive disadvantage relative to peer institutions because of an inability to innovate quickly enough and to make junior appointments that permit the University to adapt to the inter-disciplinary and cross-disciplinary trends that are transforming the traditional disciplines. This Faculty Reinvestment Program (FRP) is a tenured faculty voluntary separation program, which will facilitate the hiring of new tenure-track faculty and, thus, serve the academic mission of the University.

II. DESCRIPTION OF THE FACULTY REINVESTMENT PROGRAM (FRP): Faculty members who meet the eligibility criteria set forth below will have a limited opportunity to apply to participate in the FRP. Faculty members whose applications are approved, or are approved and deferred, will relinquish their tenure by way of resignation or retirement in exchange for a lump sum payment in the amount set forth below. This is a voluntary program. Eligible faculty members are free to choose whether to participate in this FRP.

The FRP will be administered by the deans at the unit level. A faculty member's tenure home and primary line weight will determine in which unit a faculty member's application to participate in the FRP will be considered.

III. FACULTY REINVESTMENT PROGRAM (FRP) ELIGIBILITY: The FRP is available only to faculty members who meet the following criteria.

1. Must be a full-time tenured faculty member at Rutgers, the State University of New Jersey.
2. Must be a member of the Alternate Benefit Program.
3. Must be at least 65 years of age on June 30, 2010.
4. Must have at least 25 years of service to Rutgers (based upon initial date of hire) on June 30, 2010. For purposes of this criterion, service for both full semesters of the academic year shall constitute one year of service.
5. Must not have previously signed a written agreement to resign or retire.

IV. FACULTY REINVESTMENT PROGRAM (FRP) APPLICATION AND ELECTION PERIOD: The FRP election period shall be the period between the date on which distribution to eligible faculty of FRP documents is made, which will occur on or about March 22, 2010, through May 15, 2010. Eligible tenured faculty members wishing to participate in the FRP must file the Application and Election Form provided by the University during this period. Forms must be received by the faculty member's dean on or before 4:30 PM on May 15, 2010.

V. UNIVERSITY REVIEW: The dean whose academic unit is the tenure home of the faculty member and where the faculty member's primary line weight resides shall be responsible for reviewing all Application and Election Forms from faculty members in the dean's academic unit. The deans are authorized on behalf of the University to approve, to disapprove, or to defer for one year applications submitted pursuant to the Faculty Reinvestment Program.

VI. EFFECTIVE DATE OF TENURE RELINQUISHMENT: The effective date of tenure relinquishment shall be July 1, 2010 (or July 1, 2011 in the case of deferral). Therefore, faculty members who choose to retire effective July 1, 2010 should also separately submit promptly an Application for Retirement Allowance. The form should be submitted to University Human Resources Benefits Department whose telephone number is (732) 932-3020, Extension 4077. The form is available on the University Human Resources website. <http://uhr.rutgers.edu/documents/ABPRetirementAllowance.pdf>

Faculty members who choose to retire shall be granted emeritus/a status upon retirement in accordance with University policy. <http://policies.rutgers.edu/PDF/Section60/60.5.3-current.pdf>

VII. TENURE RELINQUISHMENT AND RELEASE: The Faculty Reinvestment Program Application and Election Form shall contain: 1) an agreement that the faculty member relinquishes tenure effective July 1, 2010 (or July 1, 2011 in the case of a deferral), which also is the effective date of the faculty member's resignation or retirement, and 2) a general release.

VIII. PAYMENT:

A. Amount of Payment and Payment Cap: Subject to the payment cap set forth below, eligible faculty members who elect and are approved to participate in the Faculty Reinvestment Program (FRP) shall receive a lump sum payment in the amount of 2% of the faculty member's annual base salary for every year of service up to 25 years, plus an additional 5% of annual base salary per year of service beyond 25 years, provided however that the faculty member shall immediately and permanently forfeit this payment if the faculty member dies prior to July 1, 2010. For purposes of the FRP, the annual base salary used to determine the amount of the payment shall be what the faculty member's annual base salary would have been effective July 1, 2010 had the faculty member not participated in the FRP. The payment is taxable and the University shall make all withholdings from the payment as required by law. The payment to be made pursuant to the FRP shall be capped at 175% of the faculty member's annual base salary as of July 1, 2010. For purposes of the FRP, annual base salary shall mean the academic year salary for academic year appointments and the calendar year salary for calendar year appointments.

B. Timing of Payment in Case of Approval: Payment shall be made by August 31, 2010. Alternatively, the faculty member may choose one of two alternate methods of payment. The method of payment must be selected on the Application and Election Form submitted by the faculty member. The first alternate method of payment shall be one-half of the payment by August 31, 2010 and the other one-half of the payment after January 1, 2011 but before March 15, 2011. The second alternate method of payment shall be one payment in full after January 1, 2011 but before March 15, 2011. Faculty members may confer with their tax advisors with respect to the timing of the payment and other aspects of the FRP. The University cannot

furnish tax advice and, therefore, cannot respond to inquiries concerning how the FRP or the payment affect a faculty member's tax liability.

C. Timing of Payment in Case of Deferral: In case of applications which are deferred, the dates set forth above shall be pushed back twelve (12) months. The year of deferral shall be included in the calculation of the payment.

IX. BENEFITS FOR TENURED FACULTY WHO CHOOSE TO RETIRE: Participants in the Faculty Reinvestment Program (FRP) who choose to retire shall receive benefits in retirement which they otherwise are eligible to receive based upon applicable law and the rules and regulations of the New Jersey Division of Pensions and Benefits. Nothing in the FRP is intended to alter or enhance the benefits to which faculty members are entitled by virtue of their participation in the Alternate Benefit Program. Rutgers makes no representations of any kind concerning the benefits to which a faculty member will be entitled upon retirement. The payment to faculty members pursuant to the FRP (Section VIII above) will be made by Rutgers and will not be made by or through the Alternate Benefit Program. Faculty members are not required to retire to participate in the FRP, but must otherwise separate from the University by way of resignation.