

Memorandum of Agreement (“MOA”) between the Rutgers Council of AAUP Chapters, AAUP-AFT, AFL-CIO (“AAUP-AFT”) and Rutgers, the State University of New Jersey (“University”) regarding the Rutgers University Alternate Benefit Program and Trust

Whereas, pursuant to the enactment of P.L. 2010, c.31, effective as of July 1, 2010, the State contribution to the Alternate Benefit Program (“ABP”) was reduced to cover only base salary up to \$141,000; and

Whereas, approximately 500 members of the AAUP-AFT negotiations unit will be adversely impacted by P.L. 2010, c. 31; and

Whereas, the University and the AAUP-AFT support programs and policies that facilitate the retention and recruitment of highly qualified faculty;

Therefore, the AAUP-AFT and the University agree as follows:

1. The University shall establish the “Rutgers University Alternate Benefit Program and Trust” (the “Plan”), which will be a defined contribution plan that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended, (the “Code”) as a “profit sharing plan” within the meaning of Section 401(a) of the Code.
2. The Plan is designed to enable the University to replace the portion of the contribution the State previously made under the ABP for participants earning base salaries greater than \$141,000.
3. The Plan shall be effective beginning plan year 2010 and the University shall make all necessary contributions to the Plan for plan years 2010, 2011 and for each following plan year, as set forth in the Plan.
4. The Plan established by the University, attached hereto as [Schedule A](#) and incorporated by reference into this MOA, is agreed to by the AAUP-AFT and shall be implemented substantially as set forth in the Plan. The terms of the Plan also may be amended pursuant to the terms thereof, and consistent with paragraph 5 below.
5. The AAUP-AFT has been provided by the University with a plan description, which is a summary of the principal features of the Plan, but the provisions of the Plan supersede any contrary provisions in the plan description or in this MOA, except as follows: The University will not act unilaterally to terminate the Plan with respect to participants represented by the AAUP-AFT, nor will the University act unilaterally to cease making contributions that the Plan prescribes for participants represented by the AAUP-AFT. Further, with respect to Plan amendments, notwithstanding anything to the contrary in paragraph 4 above, the University will not act unilaterally to amend the Plan if to do so would change the contribution amounts made by the University for participants represented by the AAUP-AFT as provided for in the Plan as of the effective date of this MOA, except as follows: The parties acknowledge the self-adjusting nature of certain provisions of Article IV of the Plan (CONTRIBUTIONS AND VESTING). A change in

the contribution amounts made by the University pursuant to the self-adjusting provisions of Article IV of the Plan does not constitute an amendment of the Plan. Further, notwithstanding the foregoing provisions of this section 5, in accordance with the provisions of Section 6 of the 2012 MOA between the University and the AAUP-AFT for a successor collective negotiations agreement the University may cease making contributions to the Plan if legislation is enacted permitting the University to make contributions directly to the State administered Alternate Benefits Program for participants earning base salaries greater than \$141,000 and the University acts pursuant to such legislation to make such contributions directly to the State administered Alternate Benefits Program. The phrase “not act unilaterally” as used above in this paragraph means that the University will not act without the mutual consent of the AAUP-AFT.

6. The Executive Committee, which may be established by the Plan Administrator pursuant to Section 11.03 of the Plan, shall include a representative designated by the AAUP-AFT.
7. This MOA and the attached Plan are made a part of the July 1, 2011-August 31, 2014 collective negotiations agreement between the parties. Alleged violations of this MOA and/or of the Plan on behalf of bargaining unit members are not subject to the arbitration provisions of Article IX of said collective negotiations agreement. All matters cognizable under the Plan’s claim procedure shall be resolved solely pursuant to that procedure as prescribed by the Plan. With respect to all other matters, the parties may institute actions in any court of competent jurisdiction within the State of New Jersey. .

On behalf of Rutgers AAUP-AFT faculty unit

On behalf of Rutgers, The State
University of New Jersey

By:
Dated:

By: