

SAMPLE TEMPLATE—Incentive Retirement Plan-Teach Full-time until turn 70

PRINCETON UNIVERSITY

*Dean of the Faculty
9 Nassau Hall*

DATE:

TO: Professor

FROM: Deborah A. Prentice

SUBJECT: Retirement Agreement—Faculty Retirement Incentive Plan, full-time work retiring no later than the end of academic year in which turn 70

Dear _____:

I write to you to formalize your retirement arrangements with Princeton University. This agreement follows upon discussions with you concerning your retirement plans and your choice of the Faculty Retirement Incentive Plan—the option to sign a retirement agreement before you turn 67 that commits you to transfer to emeritus status at a mutually agreed retirement date no later than the end of the academic year in which you turn 70.

Faculty Retirement Incentive Plan

My understanding is that you have decided to retire from the University effective July 1, 20XX and that you are eligible to participate in the Faculty Retirement Incentive Plan. Let me begin this agreement with a brief summary of the option of the Retirement Incentive Plan that you have selected. The Incentive Plan is an age-based retirement incentive plan which offers a retirement incentive payment under certain conditions. Faculty who wish to work full time up to retirement qualify for an incentive equal to one year of their salary by signing their retirement agreement before turning 67. The retirement agreement commits to transferring to emeritus status at a mutually agreed retirement date not later than the end of the academic year in which the faculty member turns 70. The faculty member agrees to work continuously at Princeton through the agreed retirement date and retire on that date, or earlier, to receive the incentive payment. Periods of leave for scholarly work, funded by a combination of sabbatical leaves and outside grants are included as “work continuously at Princeton” for the purposes of this agreement. Faculty members remain eligible for sabbatical leaves until their retirement date. *(Throughout this agreement, “salary” for the incentive payment is computed at the time of signing the agreement as the faculty member’s salary for that academic year or the average salary of faculty members at the same rank, whichever is higher.)*

Until your retirement date, University contributions to your TIAA-CREF/Vanguard accounts continue, based on the actual salary received, even for those participants who are drawing down their retirement annuities. Medical and life insurance and long-term disability insurance continue, based on FTE salary. If you participate in a Preferred Provider Organization (PPO) Plan, your co-insurance limit will be based on your FTE salary as well. Temporary disability benefits are based on the salary actually received. Participants remain eligible for health benefit/dependent care accounts. The enclosed document, "Status of University Benefits Upon Retirement for Members of the Faculty and Staff," provides a summary of the status of your benefits upon retirement from the University..

Your Retirement Under the Faculty Retirement Incentive Plan

As you have elected to work full time up to retirement, you qualify for an incentive equal to one year of your salary at the time of signing this agreement. By signing this retirement agreement before reaching the age of 67, you commit to transfer to emeritus status at a mutually agreed retirement date not later than the end of the academic year in which you turn 70. You commit to working continuously at Princeton through the agreed retirement date and retire on that date, or earlier, to receive the incentive payment. With the approval of the Dean of the Faculty, you may move to half-time status for a portion of the time leading up to your retirement date with a corresponding salary adjustment. You may of course retire earlier than the academic year in which you turn 70, we just ask that the Chair of the Department and the Dean of the Faculty be notified at least one year before you choose to end the arrangement.

You will receive the retirement incentive of one time your salary (based on your 20XX-XX AY salary or the average 20XX-XX AY salary of faculty members of the same rank, whichever is higher) after you have signed this agreement, in a single lump-sum, within 30 days of your signing this retirement agreement. By mutual agreement, you and the Dean of the Faculty have set your retirement date to be July 1, 20XX, before the end of the academic year in which you turn 70. Up until that time, you will follow a full-time schedule of teaching, scholarly work, and service. You remain eligible for sabbatical leaves during the entire period leading up to your retirement date, based on the guidelines of the sabbatical leave program.

After your retirement date of July 1, 20XX, you will hold the title of Professor Emeritus, with all the rights and privileges associated with this status. Emeritus faculty are eligible to apply for Learned Society Travel; those in the humanities and social sciences can apply for grants from UCRH&SS; and all emeritus faculty can apply for government grants through Princeton to support up to 49% of their time. Faculty who retire under the Faculty Retirement Incentive Plan will continue to have access to remaining funds in their research accounts in support of ongoing academic activities. In addition, these accounts will be supplemented by a \$5,000 grant at the time of transfer to emeritus status to ease this transition.

You and _____, your department chair, have reached agreement on the disposition of your research funds, sabbatical leave, and office space. Your agreement is documented in the attached letter to xxxx dated xxx,xx,xxx and signed by her in acknowledgment on xxxx xx,xxxx. This letter is attached to this agreement.

If these arrangements are satisfactory to you as summarized in this agreement, please sign and date a copy of the agreement, and return it to my office. With your signature on this document, you agree to accept the terms of the Faculty Retirement Incentive Plan. In order to participate in the Incentive Plan, working full-time until not later than the end of the academic year in which you turn 70, you must sign this Retirement Agreement before your 67th birthday, XXXXX X, XXXX. You may revoke this agreement at any time during the 7-day period immediately following the date of your signing by notifying the Dean of Faculty in writing of your revocation within that period. The Retirement Agreement and Release will only become effective and enforceable (the “Effective Date”) on the expiration of this 7-day revocation period, and only if you do not timely revoke your signature in a timely manner as set forth above.

I wish you all the best in your future plans and pursuits.

With all best wishes,

ACCEPTED AND AGREED:

_____ date

cc: departmental file
Department chair
enclosure