1. What is the voluntary retirement/resignation incentive program that is being offered?

This Voluntary Retirement/Resignation Incentive Program (“Program”) is an opportunity for the University to offer certain financial and other incentives to eligible faculty in exchange for their voluntary retirement or resignation, while allowing the University to strategically reinvest its resources to address a challenging budgetary environment. Enrollment is strictly voluntary and, budget permitting, is available to employees who qualify based on eligibility requirements. A waiver of liability would apply for those who participate in the Program.

2. Who is eligible for the Program?

An employee must meet the following requirements to be eligible for the Program:

a. Full time, E&G funded position in the faculty pay plan (i.e., tenured and non-tenured faculty who are funded by state recurring appropriations);

b. Either at least 60 years of age OR at least 20 years of continuous service, both as of 1/01/2021; and

c. Does not hold an administrative position above the role of chair/director.

3. Are there any other exclusions applicable to participation in the Program?

The following employees are excluded from participating in the Program:

a. Employees in their last year of participation in a DROP program;

b. Employees who are currently enrolled in a Phased Retirement program;

c. Employees who have submitted a notice of resignation or retirement that has been accepted prior to the application deadline for the Program. This includes DROP participants not in their final year who have announced a retirement date during 2020-2021;

d. Employees who have received notice of termination or notice of non-renewal; and

e. Employees who have been issued any other terminal employment contract;

4. What if I receive part of my base salary through non-recurring funds?

Employees with multiple sources of funding for their salaries are eligible for the Program, but the severance payment (see #12, below) will be made only on the basis of
that portion of the salary supported with E&G funds (or the UCS annual base salary, for USF Health faculty).

5. Will I have my choice of retirement/resignation dates?

Yes, but with limitations. Participants in the Program may select one of the three following dates as their effective date of retirement/resignation: May 6, 2021; June 30, 2021; or August 6, 2021. (See possible exception in #32)

6. How do eligible employees enroll in the Program?

In order to complete the enrollment process, the employee must:

a. Complete and submit the electronic Request Form available at https://usf.az1.qualtrics.com/jfe/form/SV_eVZTamK3dQJW3I1 within the specified enrollment period from November 23, 2020 through November 30, 2020 (ending at 5 p.m.).

b. Review and sign the Voluntary Resignation Agreement and General Release provided by the University, and submit a signed copy to voluntary-incentive@usf.edu within 45 days of receipt of the Agreement.

7. What if I submit my Request Form before or after the dates listed in #6?

Any Request Forms that are received before or after the specified dates will not be processed.

8. How can I ensure that my electronic Request Form was received?

Qualtrics will display a completion message at the end of the submittal. Each Request Form will be time stamped immediately upon receipt with a record of the date and time of submission. Employees may request a copy of their time-stamped Request data.

9. How will individuals be selected once the applications are submitted?

Participation in the Program will be subject to availability of funds. Once the deadline to submit Request Forms has passed, eligible faculty will be rank ordered by years of service and accepted to the extent that the funds set aside for this purpose allows.

10. What legal agreement will be required?

Eligible faculty who elect to participate in this Program will receive a Voluntary Resignation Agreement and General Release (“Agreement”), which will set out the terms and conditions of the employee’s separation from the University of South Florida and the severance payment offered as part of the Program. Any employee participating in the Program must sign and return the Agreement, releasing the University from any potential liability, within 45 days of receipt of the Agreement. Prior to signing the Agreement, the
employee will be given the opportunity to review the Agreement and any informational addenda, and to consult with an attorney of the employee’s choosing regarding the effect and meaning of the Agreement’s terms.

11. Is the Agreement binding?

After signing the Agreement, the employee will have a 7-day period during which the employee may decide to revoke the Agreement. If not revoked, the Agreement will become final at the end of the 7-day period; it is then a legally binding contract that cannot be unilaterally rescinded or changed by either party.

12. What incentives are being offered to those who choose to take advantage of this Program?

The following incentives are offered:

A. Following separation from the University, the employee will receive a lump-sum severance payment equivalent to 20 weeks (the maximum allowed under Florida Statutes) of their base nine- or twelve-month E&G-funded salary (or UCS annual base salary, for USF Health faculty), less applicable statutory deductions.

B. In addition to any consideration received by the employee under the terms of this Program, the employee will also be entitled to a payout of accrued and unused annual and/or sick leave as of the retirement/resignation date, in accordance with Florida law, any applicable Collective Bargaining Agreement, and applicable University Regulations and Policies. The employee will receive the annual and/or sick leave payout after a final leave audit is conducted, which is usually approximately 30 days after the separation date.

C. Retired faculty members assume all rights and privileges associated with that status.

13. Can an employee who separates from the University through this Program be rehired by the University?

Commensurate with the provisions of USF Policy #0-614 (https://usf.app.box.com/v/usfpolicy0-614), there is no presumption of re-employment at the University of South Florida. Additionally, should you elect to retire, there are statutory limitations on return to employment with any State of Florida employer as well as limitations on future eligibility to participate in the Florida Retirement System. The University does not make any representations or extend any assurances as to the effect of any applicable statutory limitations other than to identify these issues among the several issues that you should carefully consider before deciding to participate in this Program or electing to retire from the University.

14. Who can I contact to discuss my state retirement plan in relation to this Program?
For more information on retirement, you may contact your [HR Service Center](#) Benefits Specialist or [Regional HR Office](#).

15. Will this Program be offered again?

There is no guarantee that a program of this nature will be available in the foreseeable future. Declining budgets make programs of this nature increasingly difficult to fund.

16. How will my lump sum severance payment be taxed?

It will be taxed as a supplemental wage payment at the IRS supplemental tax rate in effect at the time the payment is made. Additionally, Social Security and Medicare taxes will be withheld up to the taxable wage base limits.

17. Is there a way to delay part of the payment until a subsequent year to minimize the tax impact?

No, the payment will be made as a lump sum payment that will be taxable as 2021 income. (However, see question #20)

18. Who can I contact if I have additional questions regarding the personal tax impact of the lump sum payment?

The University cannot provide individual tax or investment advice and recommends that you contact qualified tax counsel or professions for assistance with individual questions regarding tax planning.

19. Are the lump sum payments eligible for retirement contributions and service credit?

No. The payments are excluded from the Division of Retirement’s definition of compensation, and retirement contributions will not be made.

20. Can contributions be made to my 403(b) or 457 Deferred Compensation account(s)?

Yes, you may contribute to your 403(b) and/or 457 accounts up to the IRS annual limits on leave payouts only, but **not** the lump sum severance payment. Please contact your [HR Service Center](#) Benefits Specialist or [Regional HR Office](#) for more information regarding deferral elections and limits. Once available, 2021 IRS limits will be updated on the USF HR [Voluntary Retirement](#) webpage.

21. Will I be eligible for COBRA insurance?

Yes, you will be eligible for COBRA insurance continuation for a period of up to 18 months following resignation/retirement. As a retiree, you will be eligible to elect retiree health insurance through the Florida State Employees Plan or you could choose COBRA. COBRA is also available to continue your Dental and Vision insurance. Upon retirement,
you will receive information in the mail from People First, the State of Florida’s benefits administration vendor, that will provide details of retiree coverage and/or COBRA insurance.

22. When will I know if I have been accepted into the Program?

The University will begin to notify people of their status in the Program as soon as possible following the November 30, 2020 application deadline.

23. If I elect not to draw my state retirement benefits, can I still participate in the Program?

Yes. If you elect not to apply or are ineligible for retirement benefits, you may still participate in the Program, but your separation will be recorded as your having resigned from the University.

24. If I am not accepted into the Program, does my submission of a Request Form obligate me to retire anyway?

No. If not accepted into the Program, any terms and conditions of the Program are null and void for both the employee and the University.

25. Will I receive a copy of my fully-executed Agreement?

Yes. You will be provided with a fully-executed copy of your Agreement once it has been signed by all parties.

26. I’m still confused about the status of people with mixed sources of funding for their position. Can you clarify further?

Some employees have salaries that are paid from multiple sources of funding. In the most typical case, this involves a person with partial state funding and partial funding from external contracts/grants. For purposes of this Program, the University must calculate the severance payment amount only on that portion of the salary that is supported through state funds, including auxiliary funds. As clarification, this does not apply to employees who are normally fully-funded from E&G, but have bought out a portion of their workload through external sources. Their severance payment will be based on their full salary.

27. How will it be determined if I have multiple funding sources that frequently change?

An academic officer of the College, in consultation with HR and Payroll, will calculate the salaries to determine the official severance payment amount. Because some pay sources can change frequently, we will determine, if appropriate, the average proportion of funding sources for the academic year.

28. How can I determine the amount I would receive through the Program?
You may be provided with a good faith estimate of what your severance payment would be, upon request. This estimate may be provided by your College, in consultation with HR and Payroll.

29. Will acceptance into the Program serve as my resignation, or will I be required to submit a letter of resignation to my department?

Once you are accepted into the Program, the signed Agreement will serve as your official resignation document. However, as a courtesy, we strongly recommend that you provide a letter of resignation to your department/school chair/director/director or supervisor. Note that this letter will not affect or change the terms of your binding Agreement, but may be included in your official personnel file.

30. Will I face penalties if I retire early from the DROP program?

DROP participants can terminate from the DROP program at any time without generating penalties. However, the DROP lump sum accrual amount will be determined by the number of months of participation in DROP. DROP members should contact the FRS if they have questions regarding their DROP accrual amount.
NOTE: DROP participants must begin receiving their state retirement benefit when they terminate employment; thus, they cannot elect to “resign” from the University.

31. Would time as a temporary (OPS) employee count toward the requirement of 20 years of continuous service?

No. To be eligible for participation in the Program, the employee must have 20 years of continuous service in a full-time position that was benefits generating.

32. Is it possible that too many people in one department can apply for retirement at the same time?

Yes. Management reserves the right to defer a faculty member’s participation in the Program until a later date, including delaying the effective date of retirement/resignation, in the unlikely event that doing so is determined to be in the best interests of the University, based on consideration of factors including but not limited to student success, grant obligations, and potential short-term impacts on University operations. “Defer” in this case means that the University will retain a commitment to the full terms of the Agreement, but will work with the individual to choose a later resignation/resignation date, as necessary. Each situation determined to be potentially adverse will be dealt with on a case-by-case basis. However, individuals cannot unilaterally defer their resignation/resignation date under the Program; as per the stipulation above, it must one of the following three options: May 6, 2021; June 30, 2021; or August 6, 2021.

33. Can the University guarantee that my position in the department will be replaced if I retire?
No. Because of the uncertainty surrounding state funding for the foreseeable future, no such guarantees can be made. However, the University is committed to delivering a curriculum that meets the needs of our students, and will allocate future positions accordingly.

34. Will Summer 2021 appointments be available to those who decide to participate in this Program?

Summer employment may be available to Participants selecting a retirement/resignation date of June 30, 2021 (Summer A) or August 6, 2021 (Summer A or C), depending on college funding and course availability, and in accordance with existing procedures and guidelines concerning assignment of summer courses.