

**William & Mary  
Proposed Voluntary Faculty  
Early Retirement Incentive Plan**

William & Mary's Voluntary Faculty Early Retirement Incentive Plan (the "ERI" or the "Plan") provides eligible tenured instructional and research faculty members an incentive to retire from the University. The first offering of applications to the Plan will be in 2024. This plan may be offered annually as a management tool given University needs. Application for the ERI is voluntary.

**Plan Purpose**

Predictable and planful transition of faculty into retirement is critical to the health of the institution. The ERI Plan provides William & Mary a management tool to facilitate this planning in a strategic way. By providing a financial incentive to eligible tenured faculty members in exchange for voluntary retirement, the university may use the resources generated from the tenured faculty retirements for budget reallocation or reductions according to strategic needs, enrollment changes, and other University demands.

The University President, in consultation with the Provost and the Executive Vice President for Finance & Administration, will determine if the ERI will be offered for a fiscal year and if so, whether it will be offered university wide or limited to specific units on campus.

**Eligibility**

Full-time tenured, benefited faculty members of William & Mary (in active status or on an approved leave of absence) who meet the following requirements are eligible to participate in the ERI if they:

- (i) are participants in William & Mary's Optional Retirement Plan ("ORP"); or
- (ii) are participants in the Virginia Retirement System ("VRS") defined benefit plan or Hybrid Plan; and
- (iii) have reached the age 60 and have at least 10 years of continuous benefited service with the University as of their retirement date. ("Eligible Employee").

Prior to the commencement of the Application Period (defined below), the University will notify each faculty member who it has determined is a potential Eligible Employee.

In the first offering of the Plan (2024-2025), all tenured faculty meeting the above requirements are eligible to apply to the ERI. The University will notify all eligible faculty prior to the start of the Application Period for each year the plan is offered. Potential eligible employees are determined based on age, service, and full-time status as of the first day of the applicable Application Period ("Initial Assessment Date"). In subsequent offerings of the Plan (beyond 2025), benefits may be limited to those between age 60 and age 69.

A faculty member who is covered by an existing written agreement under which the faculty member has agreed to retire from or otherwise separate employment with the University is not an Eligible Employee. Existing written agreements include an approved Voluntary Faculty Retirement Transition Program application, an approved application for retirement, or an agreement to terminate employment with the University.

VRS members who apply for the ERI are not eligible for the Workforce Transition Severance Benefits, a Workforce Transition Act program for involuntarily separated faculty enrolled in VRS. VRS members must waive rights to the Transitional Severance Benefits if approved for the ERI.

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*The ERI is not a guaranteed program for employees. The University will make decisions on eligible faculty applications based on the needs of the University and consideration of the impact on the academic unit.*

**Application Date**

Interested Eligible Employees will submit an electronic ERI Application to the University Human Resources department using dynamic forms during the specified application window (“Application Period”). The proposed Retirement Date must be prior to the start of the next academic year. If an ERI Application is not submitted in the Application Period, an Eligible Employee will not be eligible to participate in the Plan. The Application Period will be set forth in future communications.

**Early Retirement Incentive Benefits**

If an Eligible Employee’s ERI Application is approved, and in exchange for the Eligible Employee’s agreement to relinquish tenure and retire from all employment with the University on their Retirement Date, the Eligible Employee will receive the following incentive benefits:

- **Retirement Incentive**

Eligible Employees who participate in the ERI will receive an employer contribution to the William & Mary Tax-Deferred Annuity (“TDA”) equal to three percent of their base salary multiplied by their years of service up to a cap of \$100,000 (“Retirement Incentive”).

The employee’s base salary and years of service are based on data provided by University Human Resources' as of the retirement date. Base annual salary does not include any bonuses, awards, stipends, imputed income, incentive pay, summer pay, or any other supplemental compensation.

Employer contributions to the TDA will be made over at least a two-year period commencing on the Eligible Employee’s Retirement Date, up to the IRS annual additions limit for the calendar year (“Annual Limit”), until the full Retirement Incentive has been made to the Eligible Employee’s account.

All employer contributions to the TDA will be remitted to the university’s recordkeeper. Eligible Employees can withdraw their contributions from the TDA at any time after their Retirement Date, subject to the terms of their investment elections.

The University reserves the right to reduce or eliminate the retirement incentive provided to eligible employees age 70 or older so long as the requirements of 29 U.S.C. §623(m) are satisfied.

All benefits paid are subject to the written terms of those plans and to State and Federal laws, which will guide and arbitrate in the event of any discrepancy with the ERI. Eligible employees are not eligible for any other benefits provided under any employee benefit plan, program, or policy sponsored by the University after their Retirement Date, except as specifically provided under the terms of that employee benefit plan, program or policy. The ERI does not limit the University's right to amend its employee benefit plans or to change

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service providers at any time, so long as applied on a nondiscriminatory basis to both active employees and eligible employees participating in the ERI.

The Eligible Employee's agreement and the above benefits will be memorialized in the ERI Plan Agreement that must be signed by the Eligible Employee by the required deadline to participate in the ERI.

**Death or Disability**

In the event an Eligible Employee becomes permanently and totally disabled after being approved for the ERI and signing the ERI Plan Agreement, but before any or all of the Retirement Incentive payments have been made, the Eligible Employee will continue to receive any remaining benefits under the Plan.

In the event an Eligible Employee dies after being approved for the Plan and signing the ERI Plan Agreement, but before any or all of the Retirement Incentives have been made, neither the Eligible Employee nor their heirs or representatives shall be entitled to any remaining benefits under the Plan.

**Retirement and Reemployment**

An Eligible Employee must agree to retire from all service with the Commonwealth of Virginia and/or any of its Agencies effective as of their Retirement Date in order to participate in the Plan. An Eligible Employee must agree to withdraw from active membership under the ORP or VRS, as applicable, effective as of their Retirement Date. In this context, withdrawal from active membership means ceasing active employment and employment based contributions to the ORP or VRS as applicable.

Federal and state laws impose restrictions on the reemployment of retirees. An Eligible Employee who retires under the ERI can be reemployed by the University or with another Commonwealth of Virginia agency or institution on a part-time, temporary basis in a position not eligible for participation in the VRS or ORP.

- Reemployment with the University is not permitted unless the Eligible Employee has a bona fide break in service of six months after their Retirement Date during a period when the Eligible Employee would normally have worked in the job from which they retired.
- Reemployment with any other Commonwealth of Virginia employer must be after a bona fide break in service of at least one full calendar month during a period when the Eligible Employee would normally have worked in the job from which they retired.
- The reemployment agreement must be for a limited term. The reemployed Eligible Employee cannot work more than 29 hours, on average, per week to comply with the Commonwealth of Virginia's Manpower Control Program.

Future employment may NOT be discussed informally or formally with the University, the Commonwealth of Virginia, or any other Agency employer until after the required break in service is complete.

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**Participation Process**

<b><i>Eligibility Notification and Information Sessions</i></b>	<p>Faculty members identified by the University as Eligible Employees will be notified of their eligibility by email, which shall include a copy of this Plan document, a Frequently Asked Questions (FAQ) document, and a link to the dynamic Application form.</p> <p>University Human Resources (“UHR”) will hold virtual information sessions to provide a Plan overview to Eligible Employees and answer questions. UHR is also available to schedule one-on-one sessions to discuss Eligible Employee specific benefits.</p> <p>Faculty members may schedule one-on-one sessions with retirement plan consultants to discuss retirement planning.</p>
<b><i>Application Period</i></b>	<p>Eligible Employees must complete and submit the electronic ERI Application to UHR during the Application Period.</p> <p>The Eligible Employee must indicate the proposed Retirement Date when completing the ERI application. Such date must occur before the beginning of the next academic year.</p> <p>No late applications will be accepted. An Eligible Employee who misses the open application timeframe will not be eligible to participate in the Plan.</p>
<b><i>Review and Decision Period</i></b>	<p>Deans review the Applications and evaluate the impact to the Eligible Employee’s Department.</p> <p>Recommendations will be approved or denied centrally by the Provost and the Executive Vice President for Finance &amp; Administration based on State law restrictions and the University’s strategic needs.</p>
<b><i>Notification</i></b>	<p>The University will notify Eligible Employees of the approval or denial of their ERI Applications and the approved Retirement Date, and a ERI Plan Agreement will be provided to all approved Eligible Employees</p>

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***ERI Plan  
Agreement  
Submission and  
Retirement  
Application***

In a year when the ERI is open, a period will be set during which Eligible Employees must submit their signed ERI Plan Agreement to the Chief Human Resources Officer. An ERI Plan Agreement must be signed and submitted during the 45-day period beginning the day after approval of their ERI Application.

An executed ERI Plan Agreement shall be binding on both the University and the Eligible Employee, subject only to timely revocation as provided in the ERI Plan Agreement.

Eligible Employees must apply for retirement separately through the University processes.

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***Retirement Date***

Eligible Employees participating in the Plan agree to retire on their approved Retirement Date.

An Eligible Employee shall continue to perform their assigned duties and responsibilities to the best of their abilities and in accordance with University policies and practices through their Retirement Date in order to be eligible to receive the Retirement Incentive as applicable under the Plan.

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***Supplemental Plan Agreement Submission***

Eligible Employees must complete an executed Supplemental ERI Plan Agreement and deliver it to UHR no later than 45 days after their Retirement Date, as applicable, in order to receive the Retirement Incentive under the Plan.

In no event shall any Retirement Incentive be made on behalf of an Eligible Employee under the Plan until their Supplemental ERI Plan Agreement is irrevocable pursuant to its terms.

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**Authority to Amend or Terminate**

The Board of Visitors of the University approved the Plan on April 26, 2024. The approved plan provides the option to offer the ERI in the future beyond the launch year of 2024-2025. Timelines will be updated for any future iterations of the plan.

Subject to the approval requirements imposed by law, the William & Mary Board of Visitors has the authority to modify, amend or repeal the Plan. An Eligible Employee who retires under an executed ERI Plan Agreement, however, will continue to be subject to the terms of the Plan in effect on the date they sign the ERI Plan Agreement.

**Total Plan Cost**

The total cost of the Plan shall be an amount not to exceed five percent (5%) of the fiscal year appropriation to William & Mary for faculty salaries and associated benefits. For the purposes of calculating compliance with this limitation, “total cost of the ERI Plan” for a fiscal year is equal to the cumulative incentive benefits under the ERI for all Eligible Employees with a Retirement Date in that fiscal year, regardless of when the payments are made. The source of funding for the initial year of the plan will be one-time University reserves with savings from position vacancies replenishing the commitment.