

Voluntary Retirement Incentive Plan (VRIP)

Frequently Asked Questions

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Plan Details

What is the Voluntary Retirement Incentive Plan?

The Voluntary Retirement Incentive Plan (VRIP) is an optional, one-time opportunity for [eligible faculty and professional staff](#), excluding any professional staff member affiliated with a collective bargaining unit, to apply for retirement.

Faculty

- Tenured: 75% buyout for tenured faculty who retire by June 30, 2017 (August 31, 2017 for 9-month faculty)
- Non-Tenured: Retirement bonus of 3 months' salary for faculty who retire by June 30, 2017

Professional Staff

- Retirement bonus of 3 months' salary for professional staff who retire by June 30, 2017

What happens after I submit my release stating that I accept the retirement incentive?

When your form is received in Human Resources, you can expect an email confirming receipt within 24-48 hours. The email will provide the potential retiree with the next steps with the process.

If I sign the release form, can I change my mind prior to May 19, 2017? Prior to June 30, 2017?

Yes, you would need to notify HR in writing within 7 days of signing the form.

Eligibility to Participate in VRIP

My birthday is July 1st, I will meet the eligibility requirements then? Am I going to be eligible for the \$300 subsidy to my retirement benefits?

No. The subsidy will end as of 06/30/2017. If you retire after that date you will be eligible to enroll in the current benefits being offered to Drexel Retirees, but there will be no subsidy offered by Drexel. The cost of the plan is 100% paid by the retiree. Rates for the benefits can be found on the [HR website](#).

I have worked at the Academy of Natural Sciences of Drexel University for 20 years. Why am I not eligible for the incentive?

Employees of the Academy started accruing years of service towards retirement as of July 1, 2012. Prior years of service do not apply in this case; therefore, they would not meet the requirements at this time.

I am a faculty member who was just on sabbatical. Can I apply for VRIP?

According to the [Sabbatical Leave Policy](#), faculty returning from sabbatical leave are required to return to the University for at least one full academic year following completion of the leave. This requirement will be waived for faculty on sabbatical leaves in the 2016-17 academic year should they elect to retire as a part of the Voluntary Retirement Incentive Plan.

Incentive Payment and Leave Time Payouts

When will I be paid my retirement incentive?

Employees have the option of choosing a June 30, 2017 or January 1, 2018 disbursement date (or August 31, 2017 or January 1, 2018 for faculty on nine-month contracts).

How will the retirement incentive be taxed?

The retirement incentive payout will be taxed at a flat 25% and will include all applicable Federal, State and Philadelphia City Wage taxes.

Will deductions be taken from my lump-sum payment?

Benefit deductions will not be taken from the lump-sum distribution. This includes health, commuter, parking and retirement (403(b)) plan contributions.

Will I receive a payout for all unused vacation days regardless of my age? Is there a maximum payout?**Will this benefit be available after June 30, 2017?**

Professional Staff Members retiring from Drexel will be paid for accrued, unused vacation leave up to a maximum of 200 hours. This benefit will still be available after 6/30/2017.

If I am 65 years of age and elect to retire, will I receive a payout for all of my sick days or is there a maximum payout? If there is a maximum, what is the amount?

Professional Staff Members retiring from Drexel at or after age 65 will be paid for accrued, unused sick leave up to a maximum of 35 days.

If I am 55-64 years of age, will I receive a payout for my sick days?

No, sick days are currently only paid out to retirees who are age 65 or older.

What are the tax implications if I take the incentive?

Drexel cannot give legal or tax advice. Please speak with legal counsel or your tax advisor.

Medical and Voluntary Benefits

If I choose to waive the opportunity to take the incentive, will I still be eligible for retirement benefits if I wait to retire later?

Yes, you will be eligible for the retiree benefit package that is available at that time. The \$300 subsidy towards the cost of the medical plan will end 6/30/17, so any person who retires after that date will NOT receive the \$300 subsidy.

I am over the age of 65 and Medicare eligible. What is available to me?

Retirees who are over age 65 and are Medicare eligible are offered a Medicare Advantage PPO plan – Personal Choice 65 plan that is administered through Independence Blue Cross. Retirees (and spouses, if applicable) would need to sign up for Medicare Part B with Social Security. This process can take 60-90 days to get set up, so once a decision to retire has been made, the prospective retiree (and/or spouse, if applicable) needs to contact Social Security to enroll. There is an Employer Statement that Social Security will require Drexel to complete. This form should be submitted to the Benefits Department for completion if it hasn't already been provided. It is extremely important that Social Security is contacted as soon as possible to begin the Part B enrollment process so that there are no delays getting onto the Personal Choice 65 plan upon retirement. If the retiree doesn't have Part B effective when they are officially retired (6/30/17 or 8/31/17), Drexel cannot be held responsible for any delays in medical coverage being activated when expected.

I am currently under the age of 65 but will turn 65 in October. What do I do?

When you initially retire (6/30/17 or 8/31/17), you will be enrolled into the current plan that you have as an active employee. You will work with the benefits team 2 months prior to turning 65 when you receive your Medicare Part B enrollment confirmation and transition from the Under 65 plan to the Over 65 medical plan. All other coverage remains the same.

How do I pay for my retirement health benefits?

Conexis manages the billing for Drexel retirees. Conexis mails invoices by the 15th of the month prior with payment due on the first of the month. When a retiree is transitioning from active employment to retiree status, the first invoice may be delayed and it is likely that the first invoice will be for the first 2 months of coverage. After that, billing will be month to month.

Are dependents covered under the retiree benefits?

Spouses of record at the time of retirement are considered eligible for the plan. Dependent children are not; they would be eligible to continue the benefit they are enrolled in at the time of retirement through COBRA, if needed. The COBRA benefit can extend up to 36 months.

What are the Medical Plan options available?

Details on the plan offerings can be found on the [Benefits website](#).

If you are under age 65: Current plan offerings for medical, dental, vision and prescription will be offered. Changes to the current enrolled plans can only be made in the next annual Open Enrollment period. Mid-year changes are only allowed if you experience a qualified life event (gain or loss of other coverage, for example).

If you are over age 65: You will still be eligible for the same dental and vision plan, but the medical and prescription plans will no longer be available to you. Drexel currently offers retirees over 65 a Medicare Advantage PPO plan through Independence Blue Cross. Retirees need to be enrolled for Medicare Parts A and B in order to be eligible for this plan.

Summaries for all medical plans are available on the [Benefits website](#).

How do I enroll in the retirement benefit package?

If you choose to enroll in the Drexel sponsored health plan at retirement, there is an enrollment form that will be provided to you in your retirement package. That form will need to be completed and returned to Human Resources in order to get your benefits set up and transitioned to the retiree plans. You will have a date provided on the form in which we will require the forms back in order to have all the benefits updated in a timely fashion. Delays in getting the proper enrollment forms back on time may cause delays in the transition from active to retiree coverage.

What happens to my spouse if I die as a retiree?

If your spouse of record is enrolled in your benefits at the time of death, they are eligible to continue on the retiree benefit plan.

Do I need to cancel my commuter order?

Yes, you should log into the Commuter system to cancel any orders for July going forward. The deadline to cancel commuter plan orders is the 10th day of the month prior to receiving the benefit. To stop your July order you would need to contact them by June 10th.

Emeritus Status

I am a faculty member who has applied for VRIP. Can I be considered for Emeritus status?

Faculty electing to retire as a part of the Voluntary Retirement Incentive Plan may be considered for Emeritus status. In order to be considered for Emeritus status, faculty electing to retire under the Voluntary Retirement Incentive Plan should notify their Department Head by letter with supporting documentation as outlined in the [emeritus policy](#) no later than June 1. The Emeritus Committee will be reconvened to consider these requests.

Income through 403(b)

How do I initiate income through my 403(b) plan in retirement?

In order to draw from your Drexel University 403(b) Retirement Plan, you will contact your 403(b) vendor directly to discuss how to set up disbursement of your retirement funds. Drexel is not involved with this process. You should also reach out to Social Security and any old employer where you may have retirement contributions to inquire what your benefits are, if any.

- Fidelity: 800-343-0860
- TIAA: 800-842-2776
- Vanguard: 800-523-1188

Life Insurance

What happens to my life insurance policy?

Life insurance that is offered to active employees can be converted into individual policies by contacting Guardian directly at 800-433-5982, extension 5696. The rates are made available directly to the employee on a case-by-case basis and HR does not have this information.

Will I continue to have the \$4,500 life insurance benefit after I retire from Drexel? Will this benefit be available after June 30, 2017?

If you retire prior to 6/30/2017 (or 8/31/17 for those on a 9-month contract), you are eligible for the \$4,500 life insurance benefit currently offered to retirees. After 6/30/17, the life insurance benefit will no longer be offered.

Returning to Work

Can I return to work at Drexel if I accept the Voluntary Retirement Incentive Plan?

Retirees can return to work at Drexel in an adjunct, temporary, casual or per diem role, if available. Should the retiree accept a benefit-eligible role and move to the active benefit plan, they will lose the subsidy towards the retirement benefit. When they terminate employment again, they will be eligible for the retirement plan offerings in place at that time.

Tenured Faculty Buyout Plan

What happened to the “old” Tenured Faculty plan that provided a 50% salary buyout?

That plan was discontinued on March 20, 2017 when the current window plan was opened.

What plan will be in place after the Voluntary Retirement Incentive Plan closes?

At the time the window closes, there will be no other retirement plan in place. As stated in President Fry’s initial communication, “the Provost’s Office and the Faculty Senate will undertake a holistic review of the faculty retirement program and develop a recommendation about how the tenure buyout will be addressed for retiring faculty in the future.” This review will take time and the outcome of the review and possible recommendations are yet to be determined.