

Voluntary Retirement Incentive Plan

2024 Faculty Information Sessions

Voluntary Retirement Incentive Plan

Recent Update - Tenured Faculty Transition Plan (TFTP) 2024 Election Deadline Adjustment

Dear Colleague,

I am writing to inform you of a timeline adjustment we are making to the election deadline for the Tenured Faculty Transition Plan (TFTP) for the 2024 enrollment date.

As you may know, the standard deadline for electing into the TFTP for an August 31, 2025, retirement is August 31, 2024. This enrollment deadline falls BEFORE you may be able to successfully enroll in the Voluntary Retirement Incentive Plan (VRIP) in September or October, depending on which threshold grouping you are in (100+, 90+, 80+), and may also be affected by the University's \$25M financial threshold. To best support our faculty in making this important decision, we are taking the temporary measure of extending the TFTP enrollment deadline from August 31, 2024, until November 30, 2024, for faculty electing to retire on August 31, 2025. This extension of time should provide ample opportunity for faculty eligible for both programs to make an informed and considered decision.

To elect in to the TFTP for an August 31, 2025, retirement date, you may now submit your Election and General Release of Claims to Faculty Affairs by November 30, 2024.

Please do not hesitate to be in touch if you have any questions or concerns.

Warm regards,

Erin McNamara Horvat

Senior Vice Provost, Faculty Advancement



Voluntary Retirement Incentive Plan (VRIP)

What is it?

- One-time opportunity to retire on June 30, 2025.
- Lump-sum payment varies depending on your points group
- \$25,000 Health Reimbursement Arrangement (HRA)
- One or Two (depending on points group) Tuition Benefit Scholarships
- Available on a first come, first serve basis.

Eligibility

- Minimum age 55 as of December 31, 2024,
- Completed ten years of full-time consecutive service with Drexel, Academy of Natural Sciences, Drexel University College of Medicine, and
- Have not elected to participate in the Tenure Faculty Buyout program for August 31, 2024.
- Must have a combined years of continuous service plus years of age that are greater than or equal to 80.
- Not affiliated with a collective bargaining unit
- Check your continuous service date by:
 - Navigating to the Employee tab in DrexelOne, go to “All BannerWeb Employee Services”, then click “Employee Dashboard.”
 - Click the ^ next to Employee Summary. The section will expand to show data relevant to your employment. The service date is labeled as “Adjusted Service.”

Am I eligible?

Were you employed by Drexel University on or before 12/31/2014, in a full time non-unionized role? If yes...

1. How many total years of continuous full time service (whole number) do you have at Drexel? (**Answer = A**)
2. Will you be age 55 or older on 12/31/2024? If yes, how old will you be on this date? (**Answer = B**)
3. **When you add those two whole numbers (A (years of service) + B (age)), do you have a minimum of 80?**

If you answered **yes** to question 3, you are eligible to participate in the VRIP.

Points and Incentives

- **Group One/100+ Points** – 100% of base salary (12 months), plus \$25,000 HRA and two Tuition Scholarship Benefits
- **Group Two/90+ Points** – 75% of base salary (9 months), plus \$25,000 HRA and two Tuition Scholarship Benefits
- **Group Three/80+ Points** – 50% of base salary (6 months), plus \$25,000 HRA and one Tuition Scholarship Benefit

As an eligible participant for the VRIP, you also qualify for Drexel Retiree Health Benefits, which we will go into more detail later in this presentation.

9/12 Faculty Appointments

- With a 9/12 appointment, faculty who choose the Voluntary Retirement Incentive Program (VRIP) with a retirement date of June 30, 2025, will also receive the deferred compensation they accrued through that year.
- When retiring June 30, 2025, the University will pay out the additional two months of compensation for July and August that was saved through the Academic Year.
- Salary deferral and the match and basic contribution will be based on your full salary for the remaining months including June, July and August.

Enrollment

When and how do I enroll?

- All eligible employees will receive an email containing the Voluntary Retirement Incentive Plan document the week of August 15th
- **Enrollment windows open by group starting on September 23, 2024**
 - **Group One 100+ - September 23**
 - **Group Two 90+ – September 30**
 - **Group Three 80+ – October 7**
- Complete and Return General Release of Claims ASAP
- You can revoke your election within 7 business days after the date you return the signed Election and General Release of Claims by submitting a signed Revocation Form to vrip@drexel.edu.
- **Forms must be submitted Electronically to vrip@drexel.edu.**

2024 VRIP Retiree Benefits Guide

Note: Everything covered in this presentation is also available for your reference in the VRIP Retiree Benefits Guide on the VRIP Website <https://drexel.edu/hr/benefits/vrip/>

VOLUNTARY RETIREMENT INCENTIVE PLAN 2024

The 2024 Voluntary Retirement Incentive Plan (VRIP) is an optional, one-time opportunity for eligible faculty and professional staff to retire in fiscal year 2025 with financial and other incentives. The VRIP is available on a first-come, first-served basis and is being offered to faculty and staff whose age plus years of service with the University total at least 80. Points are calculated using the sum of the years of service plus age.

- **Professional staff** who are participating in the 2024 VRIP will retire on January 31, 2025.
- **Faculty** who participate in the 2024 VRIP will retire on June 30, 2025.

For the 2024 VRIP, there is a financial cost threshold for the University of \$25 million. The program will close upon the earlier of (1) the date the financial threshold is reached or (2) November 15, 2024.

QUESTIONS AND CONSULTATIONS

- Email vrip@drexel.edu
- Schedule an individual consultation with an HR Benefits team member
- Consult the **FAQs and VRIP Benefits Guide** (flipbook or PDF)
- Schedule a free virtual financial consultation with TIAA:
 - General counseling: 1.800.842.2252
 - Schedule an individual session: Visit [TIAA's website](https://www.tiaa.com) or call 1.800.732.8353



Retirement Incentive Payment

How much: Portion of your current base annual salary (not including supplemental payments), based on points system.

Date of Payment: July 18, 2025, or January 16, 2026

Form of Payment: same as your Drexel paycheck, direct deposit or check mailed to your home.

Taxes: Federal withholding will be deducted at a supplemental rate of 22%. Social Security, State and Local taxes will be deducted at the normal rate.

Health Reimbursement Arrangement (HRA)

- Tax Advantage retiree healthcare savings account
- \$25,000 upfront funding, made available February 21, 2025
- Retirees are not taxed on the contribution
- Can use to pay for qualified medical expenses incurred by you, your spouse or domestic partner and any child who has not attained age 26.
- Eligibility for the HRA is not connected to enrolling in the Drexel sponsored Health plans.
- **This is a reimbursement that will be processed through Optum Bank**

Tuition Scholarship Benefit

Incentive:

- Group One/100+ = Two Tuition Scholarship Benefits
- Group Two/90+ = Two Tuition Scholarship Benefits
- Group Three/80+ = One Tuition Scholarship Benefits

Details:

- The Tuition Scholarship Benefit covers 66% of the cost of tuition only. Additional fees or expenses are the responsibility of the designee.
- The designee does not have to be related to the retiree.
- The designee must be selected by June 30, 2027.
- The Tuition Scholarship Benefit must be utilized by the designee by June 30, 2045.

More details on the process coming soon. Visit VRIP webpage for updates.

Emeriti Faculty Status

- Faculty interested in seeking emeritus status should review the [Emeritus Faculty Policy](#) to determine eligibility.
- An application must be initiated by the faculty member by December 1.
- *Application Template:* [Emeritus Application Template 23-24.ashx \(drexel.edu\)](#)
- Questions regarding the policy can be directed to facultyaffairs@drexel.edu.

Important Dates

- **VRIP Enrollment Deadline:** November 15, 2024, or once the financial threshold has been met.
- **Revocation Period:** Within 7 business days after the date you return the signed VRIP Election and General Release
- **December 1, 2024:** Deadline to apply for Emeritus
- **Retiree Benefit Enrollment Deadline:** June 7, 2025.
- **Date of Retirement and last day of Active Employee Benefits:** June 30, 2025
- **First Day of Retiree Benefits:** July 1, 2025
- **VRIP Single Lump Sum Payment:** July 18, 2025 or January 16, 2026
- **HRA Funding:** on or around July 18, 2025

Retiree Health Benefits

What Health Benefits are offered?

- Medical/Prescription
- Dental
- Vision

Who can I cover?

- Retiree
- Spouse or Domestic Partner of record at the time of retirement
 - Spouses or Domestic Partners established after retirement are not eligible

**Children are not eligible for coverage under the retiree plan. COBRA is offered when active health benefits terminate.

Under Age 65 Medical/Rx

- Same medical/rx plans that are available to active Drexel employees, but, at the retiree rate.
- The retiree rate is the full premium and no longer includes an employer contribution.
- Continue your current coverage at time of your retirement, with opportunity to change plan during open enrollment or a qualified life event.
- When you turn age 65, coverage will end and you can enroll in the 65+ retiree health insurance option available through Drexel at that time.

	CDHP	Keystone POS	PPO Basic	PPO High
Retiree Only	\$542.61	\$696.21	\$1,028.73	\$1,159.83
Retiree & Spouse/DP	\$1,226.65	\$1,573.83	\$2,322.02	\$2,617.01

These premiums are for the 2024 plan year and are subject to change for 2025.

65 and Over Medical/Rx

Age 65+ (Medicare Eligible) Medical/Rx Plan

- Secure Preferred PPO is a Medicare Advantage plan.
 - Available to Medicare eligible retirees and spouses/domestic partners. This plan offers benefits beyond Original Medicare and includes an integrated prescription plan and vision benefits.
 - The Plan combines your Medicare Part A (hospital) and Part B (medical) with prescription drug benefits and additional covered services.
- Must be enrolled in Medicare Parts A & B, maintaining your Part B premiums with Social Security each month.

	Secure Preferred PPO
Retiree Only	\$278.52
Retiree & Spouse/DP	\$557.04

These premiums are for the 2024 plan year and are subject to change for 2025.

Dental and Vision

Dental

- Drexel University offers retirees the same dental coverage that active employees have. Currently there are three dental options through Cigna:
 - Cigna Basic PPO
 - Cigna Preferred PPO
 - Cigna DHMO

Vision

- Drexel University offers retirees the same vision coverage that active employees have. Drexel's vision plan is offered through Davis Vision, administered through Independence Blue Cross.

	Cigna Base	Cigna Preferred	Davis Vision
Retiree Only	\$21.16	\$32.36	\$4.33
Retiree & Spouse/DP	\$62.44	\$105.79	\$9.98

These premiums are for the 2024 plan year and are subject to change for 2025.

Enrolling In Retiree Health Benefits

How to Enroll:

- Review the Benefit Enrollment form that will be sent in August.
- Return the completed enrollment form to vrip@drexel.edu by Jun 7, 2025.
 - If waiving Drexel's plan(s), you can note that on the form and return, or just email advising that you are choosing to waive coverage.
- **Enrollment Deadline:** June 7, 2025 to avoid any delays in benefit transition, if enrolling in a Drexel sponsored health plan.
- Questions on this process can be directed to vrip@drexel.edu.

Medicare Part B - Employer Information

- If you are age 65 or older and enrolled in a Drexel medical plan, you must submit a Medicare “Request for Employment Information” form to Social Security when applying for Medicare Part B.
- The form confirms that you had group health plan coverage with an employer plan since turning age 65.
- Section B must be completed by Drexel Human Resources.
- HR will email you a copy of this form, with Section B completed

Things to Consider

If you or your spouse/partner are age 65 or older:

- Make an appointment with your local Social Security Office to sign up for Medicare Parts A and B, if you have previously waived Part B.
 - The typical timeline that Social Security requires for processing enrollments for Part B is 60 days before you want the benefit effective.
- Drexel will provide confirmation of enrollment in health/prescription insurance for those who are Medicare Eligible and are being covered under our 'Active' employee benefits.

Things to Consider, cont'd

- The standard Medicare Part B premium amount in 2024 is \$174.70. Most people pay the standard Part B premium amount; however, the premium is income based and is determined using your modified adjusted gross income as reported on your IRS tax return.
 - If you have a higher income, you will pay an additional Income Related Monthly Adjustment Amount (IRMAA). More information on premiums and IRMAA can be found on the Social Security website: <https://www.ssa.gov/benefits/medicare/medicare-premiums.html#anchor1>
- Note that those who receive VRIP will likely have an inflated income in the year that they receive their payment. This may cause an increase in the premiums after that year's taxes are filed, but you can discuss with Social Security how to go about appealing the monthly premium if that does occur.
 - Appeals to IRMAA can be made with Social Security directly, please visit the Medicare website for more information on this please visit their website: <https://www.ssa.gov/medicare/lower-irmaa>

Medicare Information Session

Health Advocate will be conducting a live information session about navigating Medicare and the health insurance marketplace.

Medicare Basics: What You Need to Know

July 31, 2024

12:00 PM-1:00 PM

Register in Career Pathway by clicking on the Event Calendar then clicking on Medicare Session on July 31.

*Participants in our Wellness Incentive Program are eligible to earn 15 points (a \$15 credit) for attending this event. You must sign-in to zoom with your name in the participants'' box to receive credit.

Changing Your Benefit Elections

- Can change your election during Drexel's annual open enrollment period or if you experience a qualified life event.
- Enrollment in the Drexel retiree medical/rx plan at a later date is available only if you and/or your spouse/domestic partner have maintained continuous coverage in another health plan (other than Medicare).

403(b) Defined Contribution Plan

When you leave the University, you have several options for your 403(b) account. You can keep your funds in the Drexel plan, rollover your account to an eligible retirement plan or IRA or take a distribution. You are required to start taking certain withdrawals from your account when you reach the "applicable age" as defined by the IRS per below:

1. **age 70½** - if you attained age 70½ prior to January 1, 2020
2. **age 72** - if you attained age 70½ after December 31, 2019, and age 72 prior to January 1, 2023
3. **age 73** - if you attain age 72 after December 31, 2022, and age 74 prior to January 1, 2033
4. **age 75** - if you attain age 74 after December 31, 2032

The rules around when and how much you must withdraw from your workplace retirement plans can get tricky. TIAA will walk you through it. Watch the video for the basics on RMDs. Review the five steps to see how RMDs apply to you and what to do next. Click on the link below or call 800.842.2252 for more information.

[5 Step Guide to Understanding What is RMD | TIAA](#)

457(b) Retirement Plan

- Within 60 days of your separation from employment, you must elect to take a distribution from your 457(b) account or postpone distribution to a later date.
- TIAA will send you an election packet in the mail.
- If you do not make an election within 60 days, your account will be automatically paid to you as a single lump-sum payment. This payment is taxable to you.
- Schedule a consultation with TIAA Financial Consultant for the 457(b) plan, Sabrina Evenosky, by calling 267-675-8161 or sign up for an appointment online at [TIAA.org/schedulenow-drexel](https://www.tiaa.org/schedulenow-drexel)

Working in Retirement

- There are times when professional staff members return to employment or have an agreement to work and receive salary in an adjunct, per diem, casual, or temporary role, for example, after they have retired from Drexel.
- For purposes of taking distributions from the 403(b) Plan, retirees receiving income from Drexel are considered active employees, meaning:
 - You are not eligible (according to the terms of the 403(b) Plan) to take RMDs even if you are of RMD eligibility age.
 - You are not eligible to take distributions if you are under 59 1/2
 - However, if you are over age 59½, you can take in-service distributions from your account until you have terminated from all service with Drexel.



Other Benefits

- **Tuition Benefits**

- Tuition remission: You, spouse/domestic partner, and dependent children are eligible for your lifetime.
- Tuition exchange: If your dependent child was awarded a tuition exchange scholarship prior to your retirement, the scholarship will continue after you retire in accordance with the tuition exchange policy.

- Supportline
- Courtesy Retiree ID Card
- Lifetime Email Access
- Recreation Center membership offers
- Annual Retiree Luncheon
- Dragon Perks Voluntary Benefits

Resources

- **SupportLinc:** Retirement Coaches Connect with a live SupportLinc representative by calling their 24/7 helpline at 1.888.881.5462
 - <https://www.supportlinc.com/>
- **Health Advocate:** Medicare Consultations: 866.695.8622
- For more information on Medicare and the costs associated with it, please visit their website: <https://www.medicare.gov/basics/costs/medicare-costs>
- More information on premiums and IRMAA can be found on the Social Security website: <https://www.ssa.gov/benefits/medicare/medicare-premiums.html#anchor1>
 - Appeals to IRMAA can be made with Social Security directly, please visit the Medicare website for more information : <https://www.ssa.gov/medicare/lower-irmaa>
- Apply for Medicare online: www.medicare.gov
- Apply for Social Security online: www.socialsecurity.gov

Additional Resources

VRIP Support – Visit <https://drexel.edu/hr/benefits/vrip/> to access the VRIP Benefits Guide, Frequently Asked Questions (FAQ's) and more. For questions on the Voluntary Retirement Incentive Program email vrip@drexel.edu.

Individual Consultations: Visit <https://drexel.edu/hr/benefits/vrip/> to book a consultation with a representative from the Drexel Human Resources Benefits Team member.



Thank You!
Questions?