Wayne State University is pleased to announce the 2015 Academic Voluntary Retirement Incentive Program (AVRIP). This program is designed to meet the retirement needs of our Medicare eligible tenured faculty and academic staff with Employment Security Status. The University does not intend to offer a similar retirement incentive program for at least 5 years. A summary of the 2015 program is provided below:

**Program Eligibility Requirements**

- Active full-time benefits eligible 9 and 12 month tenured faculty
- Academic Staff with Employment Security Status (ESS) or tenure
- Administrators who have retreat rights to a tenured faculty position
- As of January 1, 2015 - Age 65+ (Medicare Eligible) with a total of 80 points - combined age and completed years of service
- Individual program participation subject to Administration approval

**Program Benefits**

**Incentive Payment**

Incentive Payment Calculation for 9 and 12 Month Employees
1. Determine total points by adding together your age and completed years of service as of January 1, 2015
2. Determine incentive allocation (8, 10 or 12 months) from the table above
3. Divide the annual base salary in effect as of January 1, 2015 by 12 and multiply by the allocated number of months.

*For purposes of the incentive payment, annual salary is defined as the current base salary including all attachments.*

<table>
<thead>
<tr>
<th>Combined Years of Service Plus Age (Points)</th>
<th>Months of Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of January 1, 2015 Program Effective Date</td>
<td></td>
</tr>
<tr>
<td>80 to 94 Points</td>
<td>8 Months</td>
</tr>
<tr>
<td>95 to 109 Points</td>
<td>10 Months</td>
</tr>
<tr>
<td>110+ Points</td>
<td>12 Months</td>
</tr>
</tbody>
</table>

**Incentive Payment Components – (no participant election)**

1. Employer Discretionary Contributions - Tax deferred amount allocated in installment payments annually to the 403(b) plan subject to the following annual IRS limits:
   a. The lesser of:
      i. The participant's actual compensation during his/her most recent year of service
      ii. IRS annual limit ($53,000 for 2014)
   b. Installment payments spread over 1 to 5 years to comply with IRS limits.
   c. Based on age 65 requirement, participants may access available funds immediately
   d. Contributions are exempt from FICA taxation.

2. Taxable Payment – Any portion of the incentive amount in excess of $265,000 less any 2015 year to date 403(b) contributions, will be paid as a taxable cash payment at time of retirement.
**2015 Academic Voluntary Retirement Incentive Program**

**Healthcare Benefit**

Financially supported healthcare benefit for up to 5 years as outlined below:

- WSU will provide healthcare support at the following fixed annual amounts:
  - Single (or no current coverage through WSU) $3,770
  - 2-Person $7,540
  - Family $11,310
- The healthcare support payments will be deposited into a tax-favored Health Reimbursement Arrangement (HRA) annually in September for each of the 5 years.
- Wayne State financial support for healthcare coverage will be discontinued if the retiree becomes eligible for another employer’s medical coverage.

**Other Benefits**

1. Access to counseling/seminars on preparation for the transition to and life in retirement for anyone considering this program.
2. Enhanced retiree term life insurance coverage from $2,500 to $25,000.
3. Access to current retiree benefits including medical, dental, vision, free parking, library access, etc.
4. Access to Personal Financial Counseling Sessions with TIAA-CREF and/or Fidelity advisors for anyone considering this program. Click this link to schedule an appointment: [http://www.hr.wayne.edu/tcw/benefits/ret_plan_counsel.php](http://www.hr.wayne.edu/tcw/benefits/ret_plan_counsel.php)

**Working After Retirement**

Participants must not work in any paid capacity for the University on any day during the period that begins with the first day of retirement and ends 5 years later at the conclusion of the healthcare support period. If the participant works at and is paid by WSU during this period (is rehired), all future incentive payments and healthcare support payments shall be forfeited.

**Program Implementation Timeline**

- Program Announcement and Material Posted to Website: October 2014
- Election Period: October 2014 – February 6, 2015
- Participant Informational Meetings: November 2014 – January 2015
- Individualized Packets to Participants: March 2015
- Retirement Date (9-month employees): May 15, 2015 (*Completion of Winter Semester*)
- Retirement Date (12-month employees): August 30, 2015

**Program Election Steps**

Eligible employees who wish to participate in the Academic Voluntary Retirement Incentive Program must contact the Total Compensation and Wellness Department to determine eligibility. You will need to notify your School / College / Division leader of your decision to participate in the program. A Separation and Release Agreement [http://hr.wayne.edu/tcw/retiring/avrip-separation-agreement.pdf](http://hr.wayne.edu/tcw/retiring/avrip-separation-agreement.pdf) must be delivered to the Total Compensation and Wellness Department in Human Resources no later than February 6, 2015 for those electing the program to the following address:

Total Compensation and Wellness  
5700 Cass Avenue  
Suite 3638 AAB  
Detroit, MI 48202

Additional information on the AVRIP program, including the Health Reimbursement Arrangement (HRA), 403(b) deferral payments and required forms can be accessed by clicking on the following link: [http://hr.wayne.edu/tcw/retiring/avrip.php](http://hr.wayne.edu/tcw/retiring/avrip.php)