

University of Louisiana System

**Title: INCENTIVIZED RETIREMENT OF  
TENURED FACULTY**

**Effective Date: July 19, 2012**

**Cancellation: August 28, 2010**

**Chapter: Faculty and Staff**

**Policy and Procedures Memorandum**

Projected declines in state revenues over the next several years will present challenges for system institutions in reducing their operating budgets while continuing to meet their respective role, scope and mission.

The Board recognizes the important contributions which have been made over the years by its employees and has authorized retirement and resignation incentives for tenured faculty to assist the campuses in meeting the challenges created by fewer financial resources, which may require a reduction in workforce.

In order to address these challenges and in accordance with these guidelines, University Presidents may develop plans which incentivize retirement or resignation of tenured faculty. Campus leadership shall remain aware that these offerings are designed to assist them in transitioning to a campus workforce that will be smaller in the future and will ensure that implementation of such a plan shall result in savings over the target period. However, at no time will the operational effectiveness of the institution be reduced as the result of these actions.

I. Eligibility

- A. Only currently tenured full-time faculty members (including those serving in administrative positions) may be eligible to participate.

- B. Employees shall not have applied for retirement, tendered their resignation, nor received notice of termination prior to application to participate in this plan. This exclusion shall not include those who are technically retired under DROP and are still working.

## II. Plan Development

- A. Any campus choosing to implement these retirement/ resignation incentive options shall submit that plan to the System office for review and approval.
- B. Implementation of the plan should demonstrate significant savings and benefits to the campus over the full term of the plan.
  - 1. The plan shall define the process to be used for application, review and approval.
  - 2. The plan may provide for limitations to specific academic units and/or divisions as part of an overall university cost reduction strategy.
  - 3. The plan may provide for a cap on the number of participants or a specified savings amount.
  - 4. The plan shall identify any transition issues for the campus.
  - 5. The plan shall identify whether the position is to be abolished following the offering or will require replacement, and the subsequent cost-vs-net savings.
  - 6. The plan shall include documentation of total projected saving each year for a three (3) year period. The plan shall exhibit a three (3) year savings for each participant's position.
  - 7. The plan shall not discriminate against any class of employee.

## III. Employee Status

- A. Participants shall be considered retired or resigned and relinquish all rights to tenure/permanent status.
- B. All retirement benefits and leave earnings shall be calculated in accordance with state law and retirement systems rules and policies
- C. The decision to participate is irrevocable once an application to participate in this plan has been submitted.

#### IV. Participation and Compensation

##### A. Employee Participation

Participants shall not be rehired at any UL System Institution on a full-time or part-time basis for a period of one year from their effective retirement/resignation date. Any re-hires shall be in accordance with state law and retirement systems rules and policies.

##### B. Compensation

1. Payments shall not exceed 50% of the employee's annual salary; no payment shall exceed \$50,000.
2. Incentives shall be in the form of a one-time lump sum payment and are subject to all applicable state and federal tax laws and regulations.
3. Incentives shall not be paid prior to official notification of retirement or resignation of the employee.

#### V. Reporting Requirements

Campuses shall submit an annual report for a period of three (3) years on actual cost savings realized as the result of implementation of this plan. The report is due October 1 of each year.

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*Review Process:*

System Staff  
ULS Board  
University Presidents

*Distribution Process:*

University Presidents