

NORTHERN MICHIGAN UNIVERSITY
2014 FACULTY VOLUNTARY EARLY RETIREMENT INCENTIVE PLAN
REVISED

A. Procedure.

If the Board approves the proposed Plan, Human Resources will distribute to you a Plan Application, a memorandum describing the Plan, and a Severance and Release Agreement on the afternoon of May 2, 2014. An employee must submit a completed application and a signed severance and release agreement no later than June 16, 2014. The Provost and Vice President of Academic Affairs will review applications and select employees based upon criteria contained in the Plan. Employees will have seven days after submitting a signed severance and release agreement to revoke the agreement, and thereby opt out of the Plan. Applicants must agree to separate from employment as of June 30, 2014. Employees must agree to give up all employment and tenure rights at the time of separation, including any group benefits plans other than retiree benefits outlined in a collective bargaining agreement or personnel policy manual.

B. Criteria for eligibility:

1. Full-time tenured and continuing status faculty that have completed a minimum of 10 years of service and attained a minimum age of 62 as of the severance date.
2. Employees who have previously received benefits under a NMU severance incentive program are not eligible for the Plan.
3. Requests for Plan participation must be approved by the Provost and Vice President for Academic Affairs based on the parameters defined in Section D (1) below.

C. Terms of the Faculty Retirement Incentive Plan:

1. This is a one-time opportunity: NMU does not anticipate offering similar incentive plans in the future.
2. The Plan will provide a retirement incentive of 100% of a single year of annual base salary and will be made in four equal payments over a period not exceeding two calendar years. The severance incentive payments will not be eligible for TIAA-CREF retirement plan deferrals or contributions.
3. The Plan provides that those separating employment under this plan may elect to continue NMU health coverage at their own expense for 36 months pursuant to and as part of extended COBRA continuation coverage.
4. While faculty relinquish tenure upon separation, Plan participants remain eligible for such continuing association with their academic departments and NMU as routinely and customarily extended to retirees, and may return as adjunct instructors at less than 8 credits over a three-semester period. If approved by both the Provost and Vice President of Academic Affairs, NMU may permit a participant to exceed 8 credits over a three semester period.

5. A faculty member who is accepted under the terms of this Plan shall be required to execute an individual agreement with NMU which shall describe the employee's payment and benefit entitlement under the Plan and the respective obligations of the parties.
6. Faculty members who have applied and have been accepted for a Limited Status Appointment, or a Reduced Appointment may apply for the Plan with the proviso that they must reimburse NMU for any incentives and/or benefits they received as a result of the other plan.

D. Additional Terms:

1. The Plan will have a cap on total expenditures (**excluding payroll taxes**) of ~~\$3.0~~ **\$3.5** million. NMU may, at its sole discretion, deny any or all applications for any of the following reasons:
 - i. NMU determines that the employee possesses needed experience or expertise and that it may have difficulty in replacing the employee; or
 - ii. NMU determines that acceptance could negatively affect an audit or accreditation review or an application for accreditation.
2. In the event the Plan reaches the cap on total expenditures, and subject to D(1)(i) and (ii) above, NMU will select eligible employees to participate based upon the highest number of years of service at NMU.
3. In consideration of NMU's acceptance and approval of an employee's application for the Plan, the employee shall waive, effective the date of the employee's separation from NMU, any and all employment rights, all entitlement to future wage and benefit increases, all rights to participate in any group benefit plans other than the retiree benefits as outlined in the appropriate collective bargaining agreement or personnel policy manual, and shall agree not to reapply for full-time employment, unless such reapplication is consented to by NMU.

E. Effective Date:

1. Faculty will separate from employment as of June 30, 2014. Effective dates may be subject to change due to operational and financial impact on NMU as determined by the Provost.