Loyola University of Chicago
Tenured Faculty 2019 Voluntary Transition Incentive Program under the Voluntary Transition Incentive Plan

Summary Plan Description
August 1, 2019
I. PURPOSE

This document is the Summary Plan Description for the Loyola University of Chicago Tenured Faculty 2019 Voluntary Transition Incentive Program (the “Program”) under the Voluntary Transition Incentive Plan (the “Plan”) which offers severance incentives to eligible faculty members at Loyola University of Chicago (the “University”). The purpose of the Program is to offer a severance incentive to eligible faculty members at the University. While this Summary Plan Description provides you with information about the Program, all benefits under the Program are subject to the terms and conditions of the Plan document that governs the Plan.

Participation in the Program is voluntary for eligible faculty members.

II. ELIGIBILITY CRITERIA AND EXCLUSIONS

A. Service Criteria for Eligibility: Tenured faculty who hold a United States based faculty appointment in a participating Unit (e.g., an appointment letter from a Chicago area campus, on US payroll with W-2 reported income, etc.) and meet all of the following Service Criteria will be eligible for the Program.

1. Active full-time, tenured faculty members, (full-time equivalent ("FTE") of 1.0 or greater) as of August 15, 2019; and
2. Attains age 60 on or before December 31, 2020; and
3. Has (or will have) completed at least ten (10) or more years of continuous full-time service on the faculty of the University on or before December 31, 2020; and
4. As of August 15, 2019, the faculty member has not already elected to participate in the Phased Transition Program for Tenured Faculty or under another similar incentive program (collectively referred to as "PTP"). The following special eligibility rules apply to any faculty member who is otherwise eligible for the Program, but, on or after March 1, 2019 made an election to participate in the PTP:
   a. Any such faculty member who has not yet commenced participation in the PTP as of August 15, 2019, will be eligible to participate in the Program if he or she withdraws from the PTP; and
   b. Any such faculty member who commenced participation in the PTP on or before August 15, 2019 will have limited eligibility to participate in the Program, if he or she withdraws from the PTP, returns to full-time workload and pay for the remainder of 2019 and for Spring term(s) 2020, and remains employed through, June 30, 2020.
5. The faculty member is in good standing as of August 15, 2019, and remains in good standing through his or her Resignation Date (identified in section III.B. below); and
6. The faculty member remains employed full-time through his or her Resignation Date (identified in section III.B. below); and

7. The faculty member is not an excluded employee or otherwise ineligible, such as part-time or non-tenured faculty.

B. Excluded Employees: The following are excluded employees who are ineligible for the Program.

1. Faculty who hold an appointment in any division, school or department that is not included in the Unit; and

2. Faculty who do not hold a United States based appointment, such as those working at the John Felice Rome Center under an Italian employment contract pursuant to the National Collective Labour Agreement for employees of companies of the Teriary Confcommercio (Italian General Confederation of Enterprises, Professions and Self-Employment, or those working at the Vietnam Center; and

3. Faculty who are not actively at work on June 30, 2020, such as faculty who have terminated employment prior to June 30, 2020, and faculty on long-term disability who fail to return to active status on or before June 30, 2020; and

4. Faculty who prior to August 15, 2019 have already given notice of or tendered their resignation, termination or retirement (including PTP) with an effective date of or prior to June 30, 2020; and

5. Non-tenured faculty members and faculty who hold a non-tenure track faculty appointment; and

6. Part-time faculty members with a part-time faculty appointment and/or an FTE of less than 1.0; and

7. Faculty members who hold a faculty appointment in the Stritch School of Medicine ("SSOM") for an academic or administrative position, and:
   a. Maintain clinical physician privileges at and/or are dually employed by Loyola University Medical Center ("LUMC"), Loyola University Health System ("LUHS"), Trinity Health ("Trinity"), or any one or more of the LUMC, LUHS or Trinity affiliated hospitals; or
   b. Are dually employed in a management position at LUMC, LUHS or Trinity; or
   c. Whose University base salary or academic base salary is paid or funded, in whole or in part, by LUMC, LUHS, Trinity, or any one or more of the
LUMC, LUHS or Trinity affiliated hospitals; and

8. Any faculty member with any other form of Special Appointment or Courtesy and Honorific Appointment, as described in the Faculty Handbook, such as Library Faculty Appointment, Terminal Year Appointment, Temporary Faculty Appointment, Contributed Services Faculty Appointment, Arrupe College Faculty Appointment, Visiting Faculty Appointment, Coterminal Faculty Appointment and Emeritus Appointments.

III. ENROLLMENT

A. Procedure

1. If you are an eligible employee and want to participate in the Program (“you” or “your”), you must submit a Participation Request Form for the Voluntary Separation and Release Agreement for the Program (the “Agreement”) via email to Human Resources at VTIP@luc.edu during the period from August 20, 2019 and September 20, 2019.

2. If your eligibility is confirmed by Human Resources, an Agreement for the Program will be sent via email to your University email address on or before October 1, 2019. The email will include instructions on how to execute the Agreement.

3. You will have from October 1, 2019 (the date the Agreement is made available via email) until November 15, 2019 to review, consider, and accept or decline the Agreement. The period from October 1, 2019 to November 15, 2019 is the enrollment “Window” for the Program.

4. During this time, you are encouraged to seek advice from your financial, retirement, legal and/or tax counselors and to contact the Human Resources Department with your questions about the plan.

5. If you decide not to participate in the Program, no action is required. If you do not submit a signed Participation Request Form on or before September 20, 2019, and/or you do not submit a signed Agreement on or before November 15, 2019, you will be deemed to have declined to participate in the Program.

6. If you decide to participate in the Program, you must sign the Agreement and email it to Human Resources at VTIP@luc.edu on or before November 15, 2019. The deadline is no later than 11:59 p.m. CST on November 15, 2019.

7. It is your responsibility to ensure that your Agreement is received by the deadline. The University encourages you to contact the Human Resources Department to confirm receipt of your Agreement.

8. Once you sign your Agreement, you have a period of seven (7) days to revoke your Agreement.
B. Resignation

1. If you do not revoke your Agreement, you will become a Participant in the Program, and your resignation from your employment with the University will become effective on the date specified below, depending on the dates when you fulfill the Program’s age and service criteria (your “Resignation Date”):
   a. Option 1 - Resignation Date Effective June 30, 2020 (for a faculty member who attains age sixty (60) and completes ten (10) years of service on or before June 30, 2020). Under this option, the eligible faculty member's resignation from the University, including relinquishing, releasing and extinguishing any tenure rights, thus ending his or her employment with the University, would be effective June 30, 2020.
   b. Option 2 - Resignation Date Effective June 30, 2020 (for a faculty member who completes ten (10) years of service on or before June 30, 2020, and attains age 60 after June 30, 2020 but on or before December 31, 2020). Under this option, the eligible faculty member's resignation from the University, including relinquishing, releasing and extinguishing any tenure rights, thus ending his or her employment with the University, would be effective June 30, 2020. However, payment of the lump sum severance payment is conditioned on the faculty member attaining his or her 60th birthday.
   c. Option 3 - Resignation Date Effective Upon Completing Ten (10) Years of Service (for a faculty member who completes ten (10) years of service after June 30, 2020 but on or before December 31, 2020). Under this option, the eligible faculty member's resignation from the University, including relinquishing, releasing and extinguishing any tenure rights, thus ending his or her employment with the University, would be effective on the date that the Participant completes ten (10) years of continuous full-time service on the faculty of the University. Payment of the lump sum severance payment is conditioned on the faculty member completing ten (10) years of continuous full-time service on the faculty of the University. If the faculty member attains age 60 after June 30, 2020 but on or before December 31, 2020, payment of the lump sum severance payment is further conditioned on the faculty member attaining his or her 60th birthday.
   d. In addition to the three options listed above, the University reserves the right, with your consent, to defer your Resignation Date and the effective date of the relinquishment of your tenure. This reservation of rights may only be exercised with the approval of the Plan Administrator, and only if more than fifty percent (50%) of the full-time tenured faculty in your department elect to participate in the Program, and your Resignation Date threatens the viability of an academic program or academic operation. The University may exercise this reservation of rights by amending the Agreement between you and the University. Your Resignation Date may be deferred to any date that is after June 30, 2020, but no later than December 23, 2020.

2. When your resignation becomes effective, your participation in all other University benefits for which you are eligible and enrolled (including medical, dental, vision, flexible spending, 403(b), life insurance, disability coverage, etc., as applicable) will cease or change in accordance with the terms and conditions of such benefit plans and programs. All such benefits (except benefits under this Program) under any such plan,
policy or arrangement of the University that are payable on account of your termination will be paid according to the terms of those established policies, plans and arrangements.

C. Questions?

If you have questions, please email Human Resources at VTIP@luc.edu. Please note: the Loyola Human Resources Department is the only official source of information/interpretation for this Program. Any questions received will be responded to via email by a representative of the Human Resources Department.

IV. BENEFITS

A. Severance Payment

1. The benefit under the Program is a lump sum severance payment in an amount equal to 200% of your academic base salary paid to you for your faculty position as of December 31, 2019, less applicable taxes and withholdings. If you also hold an additional appointment, such as a department chair, staff or administrative position or appointment, the resignation shall also apply to such additional position or appointment, but the lump sum severance payment will not include any amount attributable to additional salary, stipend or supplemental pay (if any) for such additional position or appointment. If you receive any other form of supplemental pay or stipend from the University, such as a research supplement or summer session supplement, the lump sum severance payment will not include any amount attributable to such supplemental pay or stipend.

2. If you have complied with all of the requirements of the Program and your Agreement, the lump sum severance payment will be paid to you via direct deposit within fifteen (15) days after your Resignation Date, or after you attain age sixty (60), whichever is later.

3. You are required, if you are notified by the Plan Administrator that the severance payment that you received erroneously exceeds the amount payable under this Plan, to immediately repay the overpayment, and the Plan Administrator shall have the right to recover the amount of the excess from you, your estate, or any other person to whom payments were made on your behalf.

4. Because the benefit payable under the Program is a severance payment, no Defined Contribution Retirement Plan (“DCRP”) voluntary employee 403(b) deductions will be taken from the severance payment, and no employer 403(b) contributions will be made to the DCRP on the severance payment.

B. Tax and Financial Consequences of Participation in the Voluntary Transition Incentive Program

1. You are responsible for consulting with your personal tax advisor as to the potential tax consequences of participation in the Program, such as IRS deferred compensation rules.
2. No employee of the University is authorized to provide tax and/or financial advice to employees. Information sessions and material are for general information only and should not replace the advice of a competent financial and/or tax advisor.

C. Conditions and Forfeiture

1. You must perform all of your duties and responsibilities in accordance with the Faculty Handbook through your Resignation Date and return all University property (i.e., keys, credit cards, procurement cards, conference call cards, identification cards, documents and records, laptop computers and related accessories, iPads, laptops, cellular phones, business equipment, home office equipment, etc.) no later than your Resignation Date in order to receive the Program benefits. The University shall have no obligation to pay Program benefits to you until the Plan Administrator is satisfied that you have returned to the University all University property you possess or control.

2. You will forfeit eligibility for and participation in the Program and its benefits if you die or leave your employment with the University before your scheduled Resignation Date, or if you fail to remain employed full-time and in good standing until your Resignation Date, or if you fail to complete all of the Program eligibility and participation requirements, such as attain age sixty (60) or complete ten (10) years of service during the Program, or be actively at work or return to active status on or before June 30, 2020.

3. You must relinquish your tenure and agree that you will not be eligible for rehire at any time at the University. Notwithstanding the foregoing, the Plan Administrator's authority to control and manage the operation and administration of the Plan, includes the authority and discretion to make such rules, regulations and interpretations as the Plan Administrator deems necessary or desirable to address requests for waivers of the foregoing restriction, provided that any such waivers authorizing rehire of a Participant shall be limited to non-benefit eligible, temporary positions with an FTE of less than 0.5 and not to exceed teaching more than two (2) courses per academic term.

4. You must voluntarily sign the Agreement, including a release of all claims that you may have against the University, and you must fulfill all of the other requirements of the Agreement and the Program.

V. GUIDELINES CONCERNING FACULTY MEMBER

A. Rank and Tenure of Participating Faculty Member

While performing teaching, scholarship and faculty service responsibilities under the Program, a Participant faculty member will retain tenure, current academic rank, faculty voting rights and access to equipment and office space as is customary in the Unit and/or his or her department and as necessary for the performance of his or her duties. Upon his or her Resignation Date, the Participant faculty member will end participation in the Program, relinquish his or her tenure and end his or her employment at the University. Participation in the Program does not affect a Participant faculty member's ability to apply for, or to be given, the title of professor emeritus in accordance with existing procedures or to receive any privileges or benefits associated with that title. Upon the
Participant faculty member's termination of employment following completion of his or her participation in the Program, the Participant faculty member may be eligible, if he or she qualifies, for certain University privileges that are granted to former faculty or staff members.

B. Other Employment and Leaves

Participation in the Program precludes employment elsewhere while still employed at the University, except as otherwise provided in the Faculty Handbook. While participating in the Program, a Participant faculty member will be eligible for leaves without pay and for paid research leaves of absence. A Participant faculty member remains eligible for the Program if he or she is unable to perform teaching, scholarship and faculty service responsibilities for a period of time as the result of an approved short-term disability or Family and Medical Leave ("FMLA") leave. Time on leave does not extend the duration of the period of the faculty member's participation in the Program and to participate in the Program, the faculty member must be actively returned to work by June 30, 2020.

VI. LEGAL ACTION

The Plan and this Program shall be construed in accordance with the applicable provisions of ERISA, and, to the extent not preempted by federal law, in accordance with the laws of the State of Illinois. Any claimant bringing a legal action must submit to the jurisdiction of any court (state or federal) sitting in the County of Cook, State of Illinois for the purpose of any lawsuit concerning or arising in connection with the Program or Plan, and the claimant may not seek to have the lawsuit removed or transferred to any other forum. No legal action may be brought by a claimant with respect to any aspect of the Program or Plan, unless the claimant has first exhausted all of the claims procedures set forth in this Summary Plan Description by filing a timely appeal of any denial before filing suit. The exhaustion requirement relates to claims for benefits, eligibility, and to any other issue, matter or dispute.

Any such suit must be filed within one year after receiving a final adverse benefit determination on appeal. Failure to follow the administrative claims and appeals procedures in a timely manner will cause you to lose your right to sue regarding an adverse benefit determination.

VII. ERISA

A. Statement of ERISA Rights

1. As a Participant in this Plan, the employee is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), which provides that all plan Participants shall be entitled to:

   a. Examination of Plan Documents. Examine, without charge, at the Plan Administrator's office and at other specified locations, including worksites, all documents governing the Plan and copies of all documents filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the
b. **Copies of Plan Documents.** Obtain copies of all Plan documents governing the operation of the Plan and other plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

2. **Fiduciary Obligations.** In addition to creating rights for Plan participants, ERISA imposes obligations upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

3. **Right to Review a Denial of a Claim.** If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. See Section VI.B.3 below relating to the Plan’s claim procedures.

4. **Enforcement of ERISA Rights.** Under ERISA, there are steps to enforce the above rights. For instance, if a Participant requests a copy of the Plan documents and does not receive them within 30 days, the Participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Participant up to $110 a day until he/she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

5. **Enforcement of Claims.** If you as a Participant have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds that your claim is frivolous).

6. **Plan and ERISA Rights Questions.** If you as a Participant have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**B. ERISA Claims Procedure**

1. **How to Apply.** To apply for benefits, an eligible employee must request an enrollment kit and complete the appropriate forms, available from the Plan Administrator. Your
claim will normally be processed within no more than 90 days. If a longer time is needed, you will be notified of the delay.

2. **If Your Claim is Denied.** If you apply for benefits and all or part of your claim is denied, the Plan Administrator will send you a written notice stating:

- Specific reasons for the denial,
- Specific references to the Plan provisions on which the denial is based,
- A description of any additional information needed from you and why such information is required, and
- The steps you can take to ask for a review of the decision.

The statement described above is normally sent within no more than 90 days after the date a claim is filed. However, in special situations, the Plan Administrator may need an extension of time (up to another 90 days) to process a claim. If an extension is necessary, you will be notified of the reasons for the delay and the date you may expect to receive a decision about your claim.

3. **Review of Your Denied Claim.** You may ask the Plan Administrator for a review of your denied claim within 60 days after you receive a denial notice. Your request, which must be in writing, should include appropriate issues, comments and reasons why you think your claim should not have been denied. You also may review pertinent Plan documents upon request without charge.

Normally, you will receive a written notice of the Plan Administrator’s final decision, including specific references to Plan provisions on which it is based, within 60 days after the date you request a review of your claim. However, if an extension of time is necessary (up to another 60 days), the Plan Administrator will notify you in writing of the reasons for the delay and the date you may expect the final decision.

If you exhaust all levels of appeal, you may file a suit under ERISA. After exhaustion of the Plan’s claim procedures, as described above, any further legal action taken against the Plan or its fiduciaries must be filed in a court of law no later than 120 days after the Plan Administrator’s final decision regarding the claim. You may not initiate any action at law or in equity to recover under the Plan until you have exhausted the claims and appeals procedures described above.

Benefits under the Plan will be paid only if the Plan Administrator decides in its discretion that you are entitled to them. The Plan Administrator’s final decision is binding on all persons.

**C. Important Plan Information**

**Plan Name**
The official name of the Plan is the VOLUNTARY TRANSITION INCENTIVE PLAN. It is a welfare severance plan under the Employee Retirement Income Security Act of 1974 (ERISA).
Plan Number
528

Employer Identification Number
36-1408475

Plan Year
The Plan Year is January 1 to December 31.

Plan Sponsor, Plan Administrator and Employer
Loyola University of Chicago
820 North Michigan Avenue
Chicago, IL 60611
Attention: Human Resources
(312) 915-6175

Agent for Service of Legal Process
Loyola University of Chicago
820 North Michigan Avenue – 8th Floor
Chicago, IL 60611
Attention: Winifred L. Williams
(312) 915-6772

Funding of the Plan
Benefits paid under this Plan are paid from the general assets of the Employer.

Plan Amendments
The University reserves the right to amend the Plan from time to time. Oral and other informal communications made by the University or its representatives shall not give rise to any rights or benefits other than those contained in the Plan as described herein, and no oral or other communication may diminish the University’s rights to amend or terminate the Plan in any manner.

Plan Termination
The University reserves the right to terminate the entire Plan or any portion of it at any time.

Protection of Your Benefits
In general, your Plan benefit cannot be transferred or assigned to any other person, nor is it in any way subject to your debts.

Employment Rights Not Implied
The Plan and this Summary Plan Description do not constitute a contract of employment. Participation in the Plan does not guarantee your continued employment with the University.