The information below is intended to provide answers to frequently asked questions regarding the 2020 Loyola University Chicago Tenured Faculty Voluntary Transition Incentive Program (TF-VTIP). It is not intended to provide legal, financial, tax, accounting, or other type of advice. If you have additional questions after reviewing this information, please email VTIP@LUC.edu.

I. Eligibility

1. Who is eligible to participate in the 2020 TF-VTIP?

A faculty member is eligible for the TF-VTIP only if he or she:

• Is 60 years of age or older as of December 31, 2020.
• Has completed at least 10 (ten) years of continuous benefit-eligible Loyola University Chicago service as of December 31, 2020, based on the individual’s adjusted hire date, and working as a full-time tenured faculty member.
• Is actively working and in good standing with Loyola University Chicago (i.e., a faculty member is satisfactorily performing all of their duties and responsibilities, while not being subject to any form of disciplinary action under the University’s Faculty Handbook and must remain in good standing for the duration of their participation in TF-VTIP).

Additional information about eligibility criteria:

• Individuals will be notified in writing that they are eligible for the TF-VTIP. Individuals who request enrollment information and whose eligibility is confirmed for the TF-VTIP will be provided with a Voluntary Separation and Release Agreement for participation in the TF-VTIP.

The following employees are NOT eligible for participation:

• Staff employees;
• Librarians;
• Non-tenure track faculty members;
• LUMC Clinical physician-faculty;
• LUMC/Trinity physician-executives;
• Faculty members on a terminal year contract;
• Faculty members not in good standing;
• Faculty members on long-term disability (LTD);
• Faculty members who have terminated or retired prior to the date of the announcement of the TF-VTIP (August 20, 2019);
• Temporary employees;
• Independent contractors;
• Faculty members who enroll in the TF-VTIP Program, but terminate employment prior to July 1, 2020, will forfeit eligibility for all TF-VTIP incentives; and,
• Faculty members who enroll in the TF-VTIP Program, but die prior to July 1, 2020 (or prior to turning age 60 December 31, 2020), will forfeit eligibility for all TF-VTIP incentives.

2. I’m not certain that I want to participate in the 2020 TF-VTIP this year. Can I wait until next year?

No, there is a limited timeframe for submitting a request to receive the Voluntary Separation and Release Agreement for the TF-VTIP. This timeframe begins on August 20, 2019, and concludes on September 20, 2019. This is a one-time offering. Eligible participants will then have a decision window from October 1, 2019 to November 15, 2019 to decide if they would like to participate.

3. Do my years of service need to be consecutive?

Yes, you must have 10 (ten) years of continuous benefit-eligible service as of December 31, 2020, working as a full-time tenured faculty member for Loyola University Chicago.

4. Can the designated retirement date be moved to a later date?

The departure date for this program is June 30, 2020. The retirement date and provisions of the program are offered consistently to all eligible faculty based on the same requirements. In some cases, mission critical faculty may be asked to delay their departure date to December 31, 2020 to ensure consistent University operations.

5. What if I accept another position and leave Loyola University Chicago prior to June 30, 2020?

If you sign a Voluntary Separation & Release Agreement for the TF-VTIP, but stop working for Loyola University Chicago before June 30, 2020, or before your mutually agreed upon separation date, you forfeit eligibility for the TF-VTIP.

6. If I am out on paid Short-Term Disability (STD), am I eligible for the 2020 TF-VTIP?

Faculty must be actively at work in order to be eligible for the TF-VTIP, therefore, faculty on a paid Short-Term Disability leave must return back to work on or before June 30, 2020, as approved by their physician. Faculty who are unable to return to work on or before June 30, 2020, or who are placed on Long-Term Disability (LTD) are not eligible for the TF-VTIP, and their Voluntary Separation and Release Agreement, even if signed by the employee, will not become final or effective.

7. Are non-tenure track faculty eligible for the TF-VTIP?

While we appreciate our non-tenured faculty and value their many contributions, at this time, the University does not have any plans of offering a program like this to non-tenure track faculty. The University will engage in ongoing dialogue with non-tenure track faculty and make assessments as needed.
II. Process/Timeline

1. How do I participate in the 2020 TF-VTIP?

The timeframe for submitting a Participation Request Form for the Tenured Faculty Voluntary Incentive Transition Program begins on August 20, 2019, and ends on September 20, 2019. You may make this request via email to Human Resources at VTIP@LUC.edu. Requests submitted later than September 20, 2019 will not be considered.

Eligibility for the TF-VTIP must be confirmed by the Provost and Human Resources, and if confirmed, a Voluntary Separation & Release Agreement will be sent via email to your Loyola email address on or before October 1, 2019. The email will include instructions on how to execute the Faculty Separation & Release Agreement.

The faculty member will have 45 (forty-five) days after the date the Voluntary Separation & Release Agreement is emailed to them to review and consider this program.

To be a confirmed participant in the TF-VTIP, the faculty member must sign and return the Voluntary Separation & Release Agreement to Human Resources at VTIP@LUC.edu no later than November 15, 2019.

The faculty member who signs the Voluntary Separation & Release Agreement will have an additional period of 7 (seven) days to revoke the Agreement.

2. What is the deadline for submitting a Request for the Voluntary Separation and Release Agreement for the 2020 TF-VTIP?

The timeframe for submitting a Participation Request Form begins on August 20, 2019, and ends on September 20, 2019. Requests submitted later than September 20, 2019 will not be considered.

3. If I submit a Participation Request Form for the 2020 TF-VTIP, when will I know if I am eligible?

Following the period of review, but no later than October 1, 2019, you will be notified by Human Resources via email from VTIP@LUC.edu to your Loyola email address, whether or not your eligibility has been confirmed. If confirmed, your notification will include the Voluntary Separation & Release Agreement with instructions on how to execute the Voluntary Separation & Release Agreement.

4. What happens if I have submitted a Request and received a Voluntary Separation & Release Agreement for the 2020 TF-VTIP, then I decide that I do not want to resign or retire?

If you have not signed the Voluntary Separation & Release Agreement, there is no need for you to take any action. You will be deemed to have declined the TF-VTIP if you do not return a signed Voluntary Separation & Release Agreement on or before November 15, 2019. Applicants who return their signed Voluntary Separation & Release Agreement on or before November 15, 2019 will be considered for enrollment.

Once you sign and submit the Voluntary Separation & Release Agreement, you have 7 (seven) days after that date to revoke your agreement, no later than November 22, 2019.

Revocations must be sent via email to Human Resources at VTIP@LUC.edu no later than 7 (seven) days after the date that you submit your agreement. Revocation of the submitted Voluntary Separation & Release Agreement for the TF-VTIP will constitute automatic withdrawal of the faculty member’s request to participate in the TF-VTIP.
5. What happens if I already submitted my Agreement to participate in the existing Phased Transition Program for Tenured Faculty in Spring 2019 but do not plan to fully retire until June 30, 2020, or later?

If you have already submitted your Agreement under the Phased Retirement Program in Spring 2019, you may be eligible to consider this program in lieu of your existing agreement. If the Provost and Human Resources deem you eligible to participate, you will receive more information about the 2020 TF-VTIP and how to apply.

6. What if I am eligible but not interested in participating?

The program is voluntary. If you choose not to participate, you do not need to take any action.

7. When do I have to terminate my employment with the University?

The faculty participating in this voluntary program must terminate employment with the University no later than June 30, 2020, unless in some cases, mission critical faculty may be asked to delay their departure date to December 31, 2020 to ensure consistent University operations. At this time, faculty members will relinquish tenure.

8. If I participate in the 2020 TF-VTIP, can I return to work at Loyola in the future?

Participants in the TF-VTIP may be able to return to a part-time position after retiring. Rehire decisions will be made on a case-by-case basis, and will depend on department needs. After a 6 (six) month break in service, TF-VTIP participants may be eligible to return to Loyola as an adjunct faculty member, teaching up to 2 (two) courses per term.

However, you may not return to employment in the following capacity:

- Full-time tenured or non-tenured faculty member
- Full-time or part-time staff employee
- Temporary or consulting position

9. Are there any other considerations I should take into account when deciding if I want to participate in the 2020 TF-VTIP?

Consultation with an attorney, a financial planner, and/or a tax advisor is very important. The TF-VTIP offers a significant financial incentive. At the same time, it is critical that each eligible faculty member consider the financial and personal impact of the program. Such impact includes a potential change in retirement and Social Security income and possible higher premiums for health and dental coverage.
III. Payment/Taxes

1. **How is the 2020 TF-VTIP payment amount determined?**

   Each approved applicant who submits (and does not revoke) an executed Voluntary Separation & Release Agreement for the TF-VTIP, will receive a lump-sum cash payment equal to 200% of their annual academic base salary as of December 31, 2019, less applicable taxes and withholdings.

2. **When will I receive my 2020 TF-VTIP check?**

   TF-VTIP payments will be made within 15 (fifteen) days after your last day worked (i.e., by July 15, 2020). If you are not yet age 60 by June 30, 2020, the payment will be made to you within 15 (fifteen) days of your 60th birthday and/or after you would have achieved 10 years of service (i.e., no later than December 31, 2020).

3. **Can I have my 2020 TF-VTIP payment made through direct deposit into a bank account?**

   Yes, the University will automatically send the participant’s TF-VTIP payment to the same direct deposit account used for the participant’s paycheck.

   If the participant’s bank account changes before receipt of the incentive payment, the participant must notify Human Resources prior to July 1, 2020.

4. **Will my 2020 TF-VTIP payment be taxed?**

   Yes, Loyola will withhold all applicable federal income tax, state income tax, and FICA (Medicare and Social Security) taxes from the TF-VTIP payment. TF-VTIP participants can make changes to both federal tax withholding rates and state income tax withholding rates should their tax advisor recommend such a change. Changes should be made no later than June 1, 2020.

   It is strongly encouraged that participants consult with a tax or financial advisor and a representative of their retirement plan. Transamerica will be available and has been notified about the VTIP.

5. **Will voluntary employee 403(b) plan deductions be taken from my 2020 TF-VTIP payment?**

   No voluntary employee 403(b) plan deductions will be taken from your TF-VTIP payment. If you would like to increase your voluntary employee 403(b) plan deductions from your regular paycheck, please contact Transamerica before June 1, 2020.

6. **Will Loyola make employer 403(b) plan contributions on my 2020 TF-VTIP payment?**

   No employer 403(b) plan contributions will be made based on TF-VTIP payments.

7. **Can I increase my voluntary employee 403(b) plan deductions?**

   Yes, you may increase the voluntary employee 403(b) plan deductions to be taken from your regular paycheck, by contacting Transamerica before June 1, 2020. No voluntary employee 403(b) plan deductions will be taken from your TF-VTIP payment.

8. **Can I delay receipt of the 2020 TF-VTIP payment until the next tax year?**

   No. Delayed payment is not permitted.
IV. Benefits of the 2020 TF-VTIP

1. What additional benefits does the 2020 TF-VTIP offer me?

Eligible faculty who choose to voluntarily terminate their employment with the university will receive a cash incentive payment in the amount of 200% of their academic base salary (as of December 31, 2019) that otherwise is not available. The decision to participate in the TF-VTIP is strictly voluntary.

2. Am I entitled to receive unemployment benefits?

Since this is a voluntary program, the Illinois Department of Employment Security may determine that faculty participating in the TF-VTIP do not qualify for unemployment benefits.

3. Do the 2020 TF-VTIP benefits include health coverage?

No. Coverage in the medical, dental, and vision plans will end on the last day of the month in which you worked (i.e., June 30, 2020). Life insurance and disability insurance will end on the last day worked.

If you are currently enrolled in Loyola’s dental or vision benefit plans, you will have the option to continue your benefits under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). If you are under 65 years of age, you will be eligible for your medical insurance under COBRA until you turn age 65. If you are age 65 at date of termination, you are not eligible for medical insurance under COBRA.

At age 65, you are eligible for Medicare. If you are not going on another employer’s health plan, you will need to sign up for Medicare at the Social Security Office in April or May for a Medicare Plan effective date of July 1, 2020. More information will be provided with your Separation Agreement and Release packet and at Information Sessions, or you can go online to https://www.luc.edu/hr/retirees.shtml.

COBRA coverage would be available for those who elect COBRA, beginning on the first day of the next month and extend for a period of up to 18 (eighteen) months. Employees have 60 (sixty) days to decide whether to enroll in COBRA. Additional information pertaining to COBRA is available at: https://www.luc.edu/hr/cobra.shtml.

4. How do I get information on other retirement benefits?

The contact information for Loyola’s Retirement Programs are:

- Transamerica: 773-508-2770 or www.transamerica.com/portal/luc
- Fidelity Investments: 800-642-7131 or www.fidelity.com
- TIAA: 800-842-2252 or www.tiaa.org/public/tcm/luc
- AIG Retirement Services (formerly VALIC): 800-448-2542 or www.valic.com

5. How can I find out about my Social Security benefits?

You may visit the Social Security Administration’s website at www.ssa.gov or call them at 800-772-1213.

6. Will I be eligible for Loyola retiree benefits if I participate in the 2020 TF-VTIP?

Yes, all participants in the 2020 TF-VTIP will receive retiree benefits and privileges.
7. **What happens to tuition remission for myself or dependents?**

   Full-time, benefit-eligible faculty who retire and are age 60 (sixty) or more years of age and have at least 10 (ten) years of continuous full-time, benefit-eligible service with the University at the time of retirement, are eligible for the tuition benefit as if the retiree were still active and working full-time at the time the benefit is applied. Please refer to the Tuition Benefit Policy: [https://www.luc.edu/hr/policies/tuition/](https://www.luc.edu/hr/policies/tuition/).

   For the purposes of participation in the 2020 TF-VTIP, all participants will receive retiree benefits and privileges, including tuition benefits.

   The tuition remission benefit is not taxable for retirees or for retirees’ dependents. More information will be included with the enrollment package that will be provided to TF-VTIP participants along with the Voluntary Separation and Release Agreement.

8. **What happens to Flexible Spending Accounts (FSAs) when I leave the University?**

   **Health Care FSA / Limited FSA:**
   Only expenses incurred prior to your termination date are eligible for reimbursement, unless you continue through COBRA. You have 90 days to submit a claim that was incurred on or before your termination date. COBRA payments including administrative fees will be on an after-tax basis. Any remaining balance will be forfeited.

   **Dependent Care FSA:**
   FSA dependent care cannot be continued through COBRA; only expenses incurred prior to your termination date are eligible for reimbursement. You have 90 days to submit a claim that was incurred on or before your termination date. Any remaining balance will be forfeited.

9. **What happens to my Health Savings Account (HSA) when I leave the University?**

   You own your HSA. If you change jobs or health plans, you continue to own your account. If you enroll in another HSA-qualified health plan, you can continue to contribute to your HSA up to age 65. For each month you are HSA-eligible (at Loyola, enrolled in PPO 3), you can contribute one-twelfth (1/12th) of the maximum contribution limit for the year (in 2020, the annual limit will be $3,550 for individual, and $7,100 for individual plus one or more).

   If you choose another type of health plan, you are still eligible to spend the funds in your HSA on qualified medical expenses — for you, your spouse, and your tax dependents—up to age 65. At age 65 or older, you may use the funds for ANY expenses on a tax-free basis.

   *Note: The monthly maintenance fee is employer paid by Loyola as long as you are enrolled in the PPO 3 HSA plan. This fee is $1.90 per employee per month if the monthly average balance is $3,000 or less. (No fees apply if the monthly average balance is $3,000 or higher.)*

10. **What happens to my computing resources, including my Loyola email account, when I leave the University?**

    Loyola universal computing resources such as access to computing labs and Exchange (Outlook) email will be extended to eligible retirees upon request. (Please contact benefits@LUC.edu for a Retiree Computing & Confidentiality Agreement.)
11. What happens to my Transit Benefit when I leave the University?
Faculty leaving the University need to contact the Benefits Department and BenefitExpress as soon as possible so that adjustments can be made to the transit account and payroll deductions. To do this, faculty should log into www.loyolaexpress.com and cancel their transit payroll deductions.

- The debit MasterCard will be turned off as of the faculty’s termination date. Any remaining balance on the card after termination will need to be reimbursed via a reimbursement form and sent directly to BenefitExpress; however, valid transit purchases need to be made prior to the termination date. Any remaining balance will be forfeited.
- Refunds are not guaranteed, and are subject to University payroll and BenefitExpress deadlines.

12. What happens to my life insurance when I leave the University?
Life insurance ends on your last day worked. Dependent life insurance coverage terminates at the same time.

Alternatively, you have the option to convert your group life insurance to an individual (permanent) whole life policy with the carrier, Reliance Standard. You must act within 31 days of your termination date to continue coverage under either option.

To obtain an application for either option, you may contact Reliance Standard. Please direct life insurance continuation questions to Reliance Standard Customer Care Center: 800-351-7500 (7 a.m. - 6 p.m. CST weekdays).

Note: For Insureds age 65 and over, the Amount of Basic Life Insurance is subject to automatic reduction. Upon the Insured’s attainment of the specified age below, the Amount of Basic Life Insurance will be reduced to the applicable percentage. This reduction also applies to Insureds who are age 65 or over on their Individual Effective Date.

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V. University Philosophy

1. Why is the University offering this TF-VTIP program?
   Loyola University Chicago is committed to providing a top-tier experience to all faculty and students. Loyola is operating with a healthy fiscal budget and will continue to do so for the foreseeable future. This voluntary offering is consistent with Loyola’s proactive conservative approach to fiscal responsibility and strategic management of resources across the University to continue its legacy as a premier Jesuit institution.

2. Have faculty members been involved in this decision-making process?
   Yes, after a Staff VTIP program was offered and positively received by employees in 2018, many faculty members expressed interest in a similar offering. A Task Team composed of representatives from the Provost’s Office, Faculty Council, University Senate, Human Resources, Finance, and various schools and other departments met regularly in February and March of 2019 to propose recommendations, enhance efficiencies, and identify opportunities for further academic development. The Task Team ensured that appropriate representation from affected groups were able to voice their opinions toward this voluntary opportunity.

3. Is the University eliminating tenure lines?
   No, though some tenured faculty members may choose to take the TF-VTIP opportunity, eliminating tenure lines is not a goal of this program. The University is committed to providing an outstanding curriculum to all of our students. As a result of the TF-VTIP program, some departments may require restructuring to ensure that we continue to meet the needs of our students and support the University’s continued strong academic standing.

4. Is Loyola facing financial difficulties?
   No, Loyola is operating with a healthy fiscal budget and will continue to do so for the foreseeable future. In fact, the incoming freshman class of 2019 is the largest in Loyola’s history, and the average freshman class size has grown incrementally over the last four years. This voluntary offering is consistent with Loyola’s proactive conservative approach to fiscal responsibility and strategic management of resources across the University to continue its legacy as a premier Jesuit institution.

If you have additional questions after reviewing this information, please email VTIP@LUC.edu.