

Johns Hopkins University School of Medicine Senior Faculty Retirement Options

The Johns Hopkins University School of Medicine is introducing a new Senior Faculty Transition Program (SFTP) for Full Professors (with contracts to retirement) or Associate Professors (with contracts to retirement), developed with the input of a School of Medicine Task Force and the Advisory Board of the Medical Faculty. The SFTP opens on November 1, 2017 and is available to those eligible members of the Johns Hopkins University School of Medicine faculty who are age 65 or older, have at least ten years of full-time continuous service at the time of eligibility, and are in good standing.¹ Additional eligibility criteria are detailed below.

The SFTP offers two distinct, transparent pathways for retirement that retain full medical benefits, as well as providing eligible faculty members the opportunity to earn a one-time financial incentive when the faculty retires pursuant to the retirement agreement. The University reserves the right to make changes to the SFTP.

Eligible faculty members may choose from two distinct programs: the Phased Retirement Program (the “PRP”) for faculty who plan to retire within a two or three year window with a phased reduction in effort; and the Early Retirement Incentive Program (the “ERIP”) for faculty who plan to retire in one year from their date of election. An eligible faculty member may choose to participate in either the PRP or the ERIP, but may not participate in both. Once a faculty member has elected the PRP or ERIP and entered into a binding agreement to retire under either program, he/she may not change the election to the other program.

The PRP is only available to those eligible faculty who are employed full-time (100%) at the time of entering into the program. The ERIP is available to those eligible faculty who are employed at least fifty percent (50%) full-time equivalent at the time of entering into the program. Eligibility and benefits under each program are outlined in detail below.

The retirement incentive described below is in addition to the standard benefits Johns Hopkins makes available to all retirees. To assist eligible participants to learn more about retirement, the Johns Hopkins University School of Medicine Office of Human Resources will make arrangements for eligible participants to meet one-on-one with a Johns Hopkins benefits representative who will help the faculty member develop a personal plan for retirement and gain a better understanding of the Johns Hopkins University retirement benefits.

¹ Faculty in good standing means a faculty member not currently under disciplinary review under any applicable University or School of Medicine policy.

Eligibility

Faculty members who satisfy the conditions below will be eligible to participate. Eligibility will initially be determined as of November 1, 2017. Thereafter, faculty not currently eligible may, as soon as they satisfy the eligibility requirements, participate in the SFTP so long as they do so within any applicable deadlines:

Ages 65 – 69: Full Professors (with contracts to retirement) or Associate Professors (with contracts to retirement) who are between ages 65 and 69 and have at least ten years of service as faculty and who enter into a Phased Retirement Agreement or Early Retirement Agreement on or after their 65th birthday but before June 30th of the fiscal year in which they reach age 69.

Ages 70 and older: Full Professors (with contracts to retirement) or Associate Professors (with contracts to retirement) who are age 70 or older and have at least ten years of full-time continuous service (as standing faculty members) and who enter into a Phased Retirement Agreement or Early Retirement Agreement **by the later of** (1) April 30, 2018 which is 180 days from November 1, 2017 or (2) June 30th of the fiscal year in which the faculty member's full-time continuous service reaches ten years. Faculty who reach age 70 after November 1, 2017, and meet all other eligibility criteria, must enter into a SFTP retirement agreement by the later of (1) 180 days from their 70th birthday or (2) June 30th of the fiscal year in which they reach ten years of full-time continuous service.

I. Early Retirement Incentive Program

Faculty electing the Early Retirement Incentive Program ("ERIP") must be employed at least fifty percent (50%) full-time equivalent, notify their chair, and execute a binding Early Retirement Agreement at least one full year, but not more than eighteen months, before their retirement. Faculty members must obtain written approval, in advance, from their Department Director confirming the approved level of effort and the associated duties and commitments while participating in the ERIP.

Benefits Provided

ERIP participants will be eligible to receive full Johns Hopkins health and welfare benefits that are made available to full-time faculty members until their retirement, even if they are at 50% full time equivalent at the time of election of the ERIP. The Johns Hopkins University's contributions to the retirement 403(b) plan will be based off of the faculty member's salary. The University's medical benefits contributions will remain at 100%. The Johns Hopkins University will continue to have the discretion to modify its benefit programs as permitted under plan documents.

In addition, faculty who elect the ERIP will receive a one-time payment of One Hundred Thousand Dollars (\$100,000), less applicable tax withholding, when they terminate from Johns Hopkins upon successful completion of the ERIP ("Final Payment"). A successful completion of the ERIP will occur if an ERIP participant terminates from employment after:

- a. retiring on the date provided in the participant's Early Retirement Agreement; or
- b. becoming disabled under Johns Hopkins's long-term disability program after entering into an Early Retirement Agreement, but before the retirement date specified in such Early Retirement Agreement.

If an ERIP participant dies prior to successful completion of the ERIP, the Final Payment will not be paid. The Final Payment will not be considered eligible compensation for purposes of Johns Hopkins’s 403(b), 457(b), and 457(f) plans.

II. *Phased Retirement Program*

Faculty electing the Phased Retirement Program (“PRP”) must enter into a Phased Retirement Agreement under which their duties are reduced to permit a gradual transition from full activity in anticipation of retirement. Faculty members must obtain written approval, in advance, from their Department Director confirming the approved level of effort and the associated duties and commitments in each year of phased retirement.

Faculty electing the PRP must enter into a binding Phased Retirement Agreement under one of the two options listed below.

| PRP Options A and B | <u>Option A</u> Two-Year Phase Down | <u>Option B</u> Three-Year Phase Down |
|----------------------------|--|--|
| <u>Year One</u> | Percentage of full-time employment would be between 30% and 75%. | Percentage of full-time employment would be between 30% and 75%. |
| <u>Year Two</u> | Percentage of full-time employment would be between 30% and % agreed to in year one. | Percentage of full-time employment would be between 30% and % agreed to in year one. |
| <u>Year Three</u> | N/A | Percentage of full-time employment would be between 30% and % agreed to in year two. |

Benefits Provided

PRP participants will remain eligible to receive the same Johns Hopkins University health and welfare benefits that are made available to full-time faculty members until retirement. The Johns Hopkins University’s contributions to the retirement 403(b) plan will be based off the faculty member’s reduced salary. The University’s medical benefits contributions will remain at 100%. The Johns Hopkins University will continue to have the discretion to modify its benefit programs as permitted under plan documents.

In addition, faculty who elect the PRP will receive a one-time payment of One Hundred Thousand Dollars (\$100,000), less applicable tax withholding, when they terminate from Johns Hopkins upon successful completion of the PRP (“Final Payment”). A successful completion of the PRP will occur if a PRP participant terminates from employment after:

- a. retiring on the date provided in the participant’s Phased Retirement Agreement; or
- b. becoming disabled under Johns Hopkins’s long-term disability program after entering into a Phased Retirement Agreement, but before the retirement date specified in such Phased Retirement Agreement.

If a PRP participant dies prior to successful completion of the PRP, the Final Payment will not be paid. The Final Payment will not be considered eligible compensation for purposes of Johns Hopkins’s 403(b), 457(b), and 457(f) plans.