**University of Florida Retirement Enhancement Program**

**Frequently Asked Questions**

**1. What is the Retirement Enhancement Program?**

It is a program offered to eligible faculty and staff that provides an incentive payment for employees if they elect to separate from the University of Florida within the 2009-10 fiscal year. Enrollment in the program is voluntary and is available to employees who qualify based on the specific eligibility requirements outlined in the enclosed policy.

**2. When can I take advantage of the program?**

You may enroll beginning October 1, 2009. The deadline for completion of the enrollment form and the Separation Agreement is January 8, 2010.

**3. Do I need to actually retire from the University to participate in the program?**

No, but you must separate from the University on or before June 30, 2010.

**4. What is the earliest date that I can separate from the University as part of this program?**

The earliest date that you can separate under this plan is November 23, 2009 or eight days after you sign the Separation Agreement, whichever is later.

**5. What payment(s) will the employee receive upon separating from the University through the Retirement Enhancement Program?**

The payment(s) will be determined as follows:

1. For 9 and 10-month Faculty and Staff, the separation incentive payment will be equivalent to the current 9 or 10-month base salary, less applicable employment taxes and deductions. For 12-month Faculty and Staff, the separation incentive payment will be equivalent to the current 12-month base salary, less applicable employment taxes and deductions. This payment will be subject to any Collective Bargaining Agreements in place as of the employee separation date.
2. The employee may also receive vacation and/or sick leave payout in accordance with University regulations and policies and any Collective Bargaining Agreements in place as of the employee separation date. If applicable, the employee will receive the vacation and/or sick leave payout subsequent to separation from the University.

**6. What are the tax implications of the incentive payment for the Retirement Enhancement Program?**

The separation incentive payment will be considered ordinary income and wages for tax purposes, and you will pay the applicable FICA and Federal income tax withholding on that amount. If you choose to defer a portion of the separation incentive payment into a 403(b) or 457 retirement plan through payroll deduction, the University will not withhold Federal income tax on this amount. You will, however, pay FICA taxes, if you have not reached your maximum wage base earnings for the calendar year in which you receive the payment from the University.

**7. May I defer a portion or all of the lump sum payment money?**

Yes, you may defer up to the 402(g) and 415 annual limits for the calendar year to a 403(b) and/or a 457 account. The limits may be found online at : <http://www.hr.ufl.edu/retirement/voluntary/annuities.asp#limits>

**8. When will I receive my salary incentive payment?**

You will receive your payment within 30 days of your separation date.

**9. Will my participation in the Retirement Enhancement Program impact my payment for unused leave?**

No, any payment of unused sick and/or vacation leave that you would otherwise be eligible to receive will be handled using the policy and process in place as of the employee separation date. This process can be found via the following web site:

<http://www.hr.ufl.edu/retirement/other/specialpayplan.asp#rspp>

**10. Can an employee who separates from the University through the Retirement Enhancement Program be rehired by the University?**

Under certain circumstances, and with the approval of the appropriate Vice President over the area and the Vice President for Human Resource Services, a participant may be rehired in a temporary non-benefit eligible position such as OPS or Adjunct Faculty. Please note that the Florida Retirement System has limitations related to the rehiring of retirees. Additional information may be found under FRS Legislation Update via <http://www.hr.ufl.edu/infogator/2009/july/expanded.htm#frs>

**11. Can I change my mind once I complete the enrollment form and sign the Separation Agreement?**

Yes. You will have seven days from the date you sign the Separation Agreement to revoke your decision. You must submit the revocation in writing to Retirement Services in Human Resource Services within seven days of that date.

**12. Do I need to take any action if I do not want to enroll in the Retirement Enhancement Program?**

No. An eligible employee that does not complete and submit the required forms by the deadline of January 8, 2010, will be considered to have declined participation in the program.

**13. If I voluntarily or involuntarily separate from the University before my agreed upon separation date, will I still be eligible for the separation incentive payment?**

No. If you leave the University for any reason before the agreed upon separation date, you will not be entitled to the incentive payment.