# 2023-2024 Voluntary Retirement Incentive Option Program





# Eligibility

UW Oshkosh active employees who as of December 1, 2023 meet all four of the following criteria:

- Are currently appointed as a faculty member, academic staff member, unclassified limited appointee, or university continuous staff member;
- Are at least 55 years;
- Have at least 5 years of WRS (Wisconsin Retirement System) service with the State of Wisconsin (not including Local WRS);
- Are at least a 75% time (FTE) employee



### Those Not Eligible

- Employees who have given written notice prior to May 10, 2023, of intent to retire or resign are not eligible.
- Employees who have contracts that have been non-renewed for the May 2023 cycle.
- Student employees, University staff temporary, University project appointments, and University staff on an original probationary period.



#### **Program Criteria**

#### Retirement date & last day employed must be between December 1, 2023 through January 10, 2024

This means you cannot be employed past January 10, 2024 Example: last day worked/paid is December 1, 2023 = retirement date of December 2, 2023

#### Condition(s):

- Not eligible to be employed by UW Oshkosh for two (2) years from the date of retirement, unless authorized by the Chancellor.
  - See Conditions section of <u>website</u> for more detailed information related to specific conditions.



#### **Disclosure of Names**

 Names of those that express official interest in the program will not be shared with anyone outside of UWO Human Resources or the UW Shared Services Benefits Team

 Names of those who submit official retirement and VRIOP documents will be shared with supervisor when official notice is received



# Program Timeline

Dates/Deadlines	Description
May 25, 2023 – June 2, 2023	Employee Informational Sessions
June 30, 2023	Employee deadline to indicate interest in program (via online form)
August 1 – 10, 2023	Employees attend group educational sessions where benefit packets will be reviewed (employees will be sent their personalized benefits packets and information prior to group sessions). Only those that expressed interest may attend.
August 14, 2023 – September 15,2023	Employee submits Separation Agreement and all required documents to Human Resources, via email to hroffice@uwosh.edu or in person at Dempsey 328, Oshkosh campus. August 14, 2023: no earlier than 8am September 15, 2023: no later than 4pm Chancellor will approve agreements upon submission and Human Resources tracks 45 calendar day rescind period on a rolling basis.
October 15, 2023	Final day for Chancellor to communicate acceptance (acceptance will be communicated as soon as possible after submission is received and reviewed)
October 30, 2023	Final day to rescind based on September 15 submission date
12/1/2023 – 1/10/2024	Eligible Retirement Dates



# What's Being Offered

Human Resources and Workforce Diversity

- A one-time separation payment at the time of retirement based on the sliding scale shown of the employee's August 14, 2023 base salary
- Base salary is defined as the employee's permanent salary excluding the following:
  - Overload
  - Overtime
  - Weekend/shift/night differential
  - Standby pay
  - Interim and summer payments
  - Increases due to an interim assignment or any other temporary payment above permanent base salary

*Base Salary	Separation Payment
\$139,000 and above	25%
\$138,999 – \$50,000	50%
\$49,999 and below	75%

\*Base salary is calculated at 1.0 FTE



# **Determining Your Incentive Payment**

Human Resources and Workforce Diversity

- Your incentive amount is arrived by taking your separation payment percentage (75%/50%/25%) X your base salary prorated by your FTE
- Employees paid hourly take their rate of pay (per hour) x 2,080 (total hours in the year)
  - Example: \$20 per hour x 2,080 = \$41,600 base salary

**Example 1**: An employee at a base salary of \$80,000 who has a 0.75 FTE would be eligible for \$30,000

Full-time base rate of \$80,000 x 75% FTE = \$60,000

\$60,000 x 50% = **\$30,000** incentive payment

**Example 2**: An employee with an hourly rate of \$20.00 who has a 0.8 FTE would be eligible for \$24,960

Full time base rate = \$20.00/hour \* 2080 standard hours = \$41,600 full-time base rate

\$41,600 base x 0.80 FTE = \$33,280

\$33,280 x 75% payout = **\$24,960 incentive payment** 



**Distribution** Options

- **Option 1:** Lump sum payout (direct deposit to account on file)
- Option 2: Contributions to supplemental retirement accounts (403(b) and/or WDC)
- **Option 3:** Combination of both option 1 and 2



**Option 1: Lump Sum** 

- Employee may choose a cash payout of the Retirement Incentive Options Program in a lump sum payment at the end of their employment
- Points to consider:
  - Consider changing your withholding exemptions
  - You are advised to speak with your tax advisor



# Option 2: Contribution to Supplemental Retirement Plan

- Employees may choose to defer funds to the supplemental retirement savings programs:
  - UW 403(b) Supplemental Retirement Program (SRP)
  - Wisconsin Deferred Compensation Plan (WDC) 457 Program
- Points to consider:
  - Plan contribution limits apply
  - 2023 limits:
    - UW 403(b) Supplemental Retirement Program (SRP)
      - \$22,500 for employees under age 50, \$30,000 if over age 50
    - Wisconsin Deferred Compensation (WDC) 457 Program
      - \$22,500 for employees under age 50, \$30,000 if over age 50
  - Limits are per plan type not per vendor
  - Limits are updated annually (January 1)



## Next Steps

- Request a WRS retirement application/estimate for annuity benefits from the Department of Employee Trust Funds
  - 877.533.5020 or
  - <u>https://etf.wi.gov/retirement/applying-retirement</u>
- Notify Human Resources of your interest in the Program by completing the <u>online interest form</u> by June 30, 2023 (<u>https://uwosh.edu/hr/vriop/</u>)
- If you do not show interest via online form by June 30, 2023, you will not be eligible for the incentive



#### After you express interest...

Human Resources and Workforce Diversity

- Attend a group info session (held in August) to learn about the WRS annuity options, what happens to insurances, and earned leave
- These sessions will be held August 1-10, 2023, and will be added to the VRIOP website once actual dates and times are confirmed
- Employees that have expressed interest in the program will receive a separate communication about these events via email
- Benefit and VRIOP resource packet will be shared prior to the August sessions

https://etf.wi.gov/retirement/applying-retirement



#### Additional Resources

- UW Oshkosh Volunteer Retirement Incentive Program Webpage
   <u>https://uwosh.edu/hr/vriop/</u>
- Finding WRS Retirement Years of Service Review your WRS Annual Statement of Benefits on the MyUW System portal under Benefits Information, WRS Statement of Benefits.
- ETF Online WRS Retirement Benefits Calculator
   Based ETF Annual Statement of Benefits (WRS) can estimate monthly annuity: <u>https://etf.wi.gov/retirement/calculators/wrs-retirement-benefits-calculator</u>
- Department of Employee Trust Funds (ETF) Resources ETF covers all WRS benefits, including retirement options. In-person presentations, webinars, group appointments, and videos are available: <u>https://etf.wi.gov/member-education</u>
- Sick Leave Credit Conversion Program
   If eligible, upon retirement, you can use unused sick leave credits to pay post-termination state group health insurance premiums for you, your spouse and/or dependents.
   <u>https://www.wisconsin.edu/ohrwd/benefits/sick-leave-credit-conversion-program/</u>



## **Other Contact Considerations:**

- The Department of Employee Trust Funds (ETF)
- Social Security/Medicare
- A tax advisor
- A financial advisor
- An attorney if you have questions regarding the official legal separation agreement document

# **QUESTIONS?**

