The 2016 FSIP Program

1. Q. What is the 2016 Faculty Separation Incentive Program (FSIP)?
   A. The 2016 NJIT Faculty Separation Incentive Program is a once-in-a-decade voluntary retirement incentive program designed to provide an opportunity for eligible tenured faculty to determine their readiness to retire and receive an added incentive for finalizing their decision to retire. Details of the program will be made available in the early spring on Highlander Pipeline, www.njit.edu, under the 2016 Faculty Separation Incentive Program.

2. Q. What are the eligibility requirements for the program?
   A. To be eligible to participate in the program, tenured faculty members must meet the following criteria:
   - As of June 30, 2016, have a combined age and years of service at NJIT equal to, or greater than 80 (Age and service will be calculated as of June 30, 2016, irrespective of retirement date.)
   - Be age 55 or older
   - Have completed at least 10 years of service at the university as a regular full-time employee
   - Be enrolled in the Alternate Benefit Program (ABP) retirement plan
   - Be in paid active employment status with the university as of March 31, 2016
   - Sign a binding commitment to retire by March 31, 2016.

3. Q. What does "years of service" mean?
   A. Years of service is defined to be years of full-time service at NJIT.

4. Q. What incentive does the program offer?
   A. The participant will receive an incentive payment equivalent to his or her salary as of June 30, 2016 multiplied by a “payout multiplier” as applicable for the participant.

5. Q. What is my payout multiplier?
   A. The payout multiplier is based on sum of your age and years of service calculated as of June 30, 2016; use the below chart to determine your payout multiplier. The age and service is calculated as of June 30, 2016, irrespective of retirement date.

<table>
<thead>
<tr>
<th>Sum of Age and Years of Service</th>
<th>Payout Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>140 or more</td>
<td>1.60</td>
</tr>
<tr>
<td>130.0 to 139.9</td>
<td>1.55</td>
</tr>
<tr>
<td>120.0 to 129.9</td>
<td>1.50</td>
</tr>
<tr>
<td>110.0 to 119.9</td>
<td>1.45</td>
</tr>
<tr>
<td>100.0 to 109.9</td>
<td>1.40</td>
</tr>
<tr>
<td>90.0 to 99.9</td>
<td>1.35</td>
</tr>
</tbody>
</table>
6. Q. When is the incentive paid out?
   A. Participants may elect: one lump sum payment to be paid out within 2 weeks of the retirement date; or six equal semiannual payments spread over three calendar years or ten equal semiannual payments spread over five calendar years.

   The semi-annual payments will be made in the first pay of September and March following the retirement date.

7. Q. When will I be officially separated from NJIT’s payroll?
   A. This is dependent on the semester and year you decide to retire. You may retire at the end of spring 2016 (08/01/16), fall 2016 (01/01/17), spring 2017 (08/01/17) or fall 2017 (01/01/18).

   Faculty are paid over 22 pays during an academic year with 11 pays each for fall and spring semesters; accordingly, in keeping with the schedule of the existing pay calendar, the last pay dates will be as shown below:

<table>
<thead>
<tr>
<th>Retirement</th>
<th>Last Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of Spring 16 (effective date 8/1/16)</td>
<td>05/06/2016</td>
</tr>
<tr>
<td>End of Fall 16 (effective date 1/1/17)</td>
<td>12/02/2016</td>
</tr>
<tr>
<td>End of Spring 17 (effective date 8/1/17)</td>
<td>05/05/2017</td>
</tr>
<tr>
<td>End of Fall 17 (effective date 1/1/18)</td>
<td>12/01/2017</td>
</tr>
</tbody>
</table>

8. Q. What is the deadline for accepting the 2016 Faculty Separation Incentive Program?
   A. The option to participate in the 2016 FSIP is in effect until March 31, 2016, by which time faculty members wishing to participate must sign a binding agreement indicating the date of retirement.

9. Q. What happens if I predecease the conclusion of the agreement?
   A. If faculty member dies following the execution of the agreement but BEFORE the effective date of the faculty member’s retirement, the agreement shall be deemed null and void, and the university will not be responsible for any payments pursuant to the agreement. However, the faculty member’s beneficiaries shall be entitled to receive the full value of employee's life insurance benefits, as applicable.

   If faculty member dies following the execution of the agreement but AFTER the effective date of faculty member’s retirement, the university will make the due payments to the estate of the faculty member.

10. Q. Will applications for the 2016 Faculty Separation Incentive Program be accepted after March 31, 2016?
   A. No applications will be accepted after the March 31, 2016 deadline.
11. Q. Can I delay the retirement date?
   A. No. Once you have submitted the agreement to retire, your decision is binding and no changes can be made to the retirement date.

12. Q. Can I cancel the Agreement?
   A. No. You may not cancel the Agreement once the Agreement has been signed and submitted to Human Resources.

13. Q. May I consult with a legal counsel?
   A. Yes. The faculty member is encouraged to consult with their legal counsel before signing the Agreement.

14. Q. Will individual counseling or other pre-retirement support service be provided if I wish to speak to someone about life planning?
   A. Yes. Pre-retirement counseling and information sessions will be available starting in the early spring.

15. Q. How can I apply for the 2016 Faculty Separation Incentive Program?
   A. Eligible faculty who elect to participate must submit a completed 2016 Faculty Separation Incentive Program Application and associated materials to the Vice President for Human Resources. The forms will be available on the Highlander Pipeline or from Human Resources in early spring.

16. Q. Are there additional incentives under the 2016 Faculty Separation Incentive Program?
   A. Additional benefits include: potential opportunity to purchase the faculty member's computer for $100, free parking at NJIT, use of the library and physical education facilities, access to laboratory and office facilities, NJIT business cards, access to electronic mail and internet programs, complimentary membership in the University Club and emeritus status as determined by University policy.

17. Q. Who will administer the Additional Benefits portion of the program?
   A. Office of the Provost will oversee administration of the Additional Benefits and affiliation with NJIT.

Health Benefits

18. Q. What happens to my health benefits in retirement?
   A. To be eligible for health coverage in retirement you must be enrolled in a health plan prior to retirement. Enrollment in a health plan is not 'automatic'; you must complete enrollment forms as part of the retirement application process. In order to assure that benefits start promptly in retirement, please contact the HR-Benefits Office. The State will also mail you a package of forms within two months of your retirement.

19. Q. Are my spouse and children eligible for medical coverage when I retire?
   A. Yes, your spouse and eligible dependent children are covered under the NJ State
Health Benefits Program.

20. Q. If I have a same sex spouse, a domestic or civil union partner is my partner eligible for health coverage if I retire?
   A. Yes, your same sex spouse, a domestic or civil union partner is covered under your health plan.

21. Q. How will the program affect my post-retirement medical benefits?
   A. This program does not impact benefits administered by the State and are governed by the PL 2011; therefore, State rules in effect will be followed. i) If you attained 25 or more years of service credit in a NJ State administered pension system before July 1, 1997, the State of New Jersey agrees to pay the full cost of health benefits, including the cost for the Traditional Health Plan. ii) If you attained 25 or more years of service credit in a NJ State administered pension system after July 1, 1997, and before June 30, 2007 contributions are required for NJ Direct 10 only. Premium sharing according to terms specified in agreement in effect at the time employee attained 25 years of pension credit service. (Individualized audits are conducted by NJ Division of Pension and Benefits). No contributions required for NJ Direct 15 or HMO plans. iii) If you have less than 25 years of service credit in a NJ State administered pension system, medical premiums will be deducted from your monthly retirement payment or you will be billed for continued coverage.

22. Q. Can I continue dental coverage in retirement?
   A. Yes, you must complete the dental enrollment application and pay the monthly premiums.

23. Q. What happens to my medical benefits if I predecease my spouse?
   A. Your spouse will be offered continued medical coverage at group rates; however, the surviving spouse will have to pay the full premium cost.

24. Q. Should I apply for Medicare Parts A & B before I retire?
   A. Yes. After retirement, Medicare becomes your primary source of medical coverage and the NJ State Health Plan is secondary.

25. Q. How can I enroll in Medicare?
   A. You can enroll at the Medicare Website: www.ssa.gov/medicare.gov.

26. Q. What is the cost for Medicare coverage?
   A. Medicare Part A (Hospital Insurance) is premium free if you or your spouse paid Medicare taxes while working. For Medicare Part B (Medical Insurance) most people will pay the standard monthly premium amount. If you don’t sign up for Part B when you are first eligible, you may have to pay a late enrollment penalty. For additional information visit the Medicare website at www.ssa.gov/medicare or call 800–772–1213.

27. Q. Can I enroll in Medicare Part D and keep my NJ State prescription drug coverage?
   A. No. If you enroll in the Medicare Part D plan you will lose the NJ State Health
Benefits Retiree's Prescription Drug coverage.

28. **Q. What is the Consolidated Omnibus Budget Reconciliation Act (COBRA)?**
   **A.** COBRA is a federal law to provide continued medical, prescription drug, dental, and vision care coverage, up to 18 months.

29. **Q. Should I enroll in COBRA?**
   **A.** The State recommends “No”. If you have less than 25 years in a NJ State administered pension system, you can choose to enroll in the NJ State Health Benefits program or COBRA. The monthly premiums for COBRA are 2% higher than the NJ State Health Benefits premiums. COBRA is a temporary program, the NJ State Health Benefits Program is a lifetime benefit for retirees. To continue vision care coverage, the State suggests you obtain private coverage.

30. **Q. How do I apply for Social Security benefits?**
   **A.** You can apply at your nearest Social Security Office, or the Social Security Website: www.ssa.gov or call the toll-free number 1–800–772–1213.

31. **Q. What happens to my unused sick leave?**
   **A.** Faculty members are not eligible to receive a payment for unused sick leave.

Pension and Retirement Accounts

32. **Q. How much do I have in my retirement account?**
   **A.** You should review the quarterly statements you receive from your investment carrier, use your investment carriers’ online services to review your account or contact your investment carrier representative. Investment carrier contact names and numbers are provided in your 2016 FSIP packet.

33. **Q. How can I receive my 403(b) or 457 tax deferred annuity distributions?**
   **A.** Contact your investment carrier. You may receive money from your annuity account immediately or delay the start of distributions. However, you must start receiving distributions no later than March 27 of the year following the year in which you reach age 70–1/2. Some distributions may be eligible for a direct rollover to a qualified 401(k), 403(b) IRA or 457 Program in which you are actively participating.

34. **Q. Whom should I contact for additional information about my retirement benefits?**
   **A.** You can contact Marlene Waltz, Benefits Administrator in Human Resources (E-mail: marlene.waltz@njit.edu; 973–596–3144) and/or your investment carrier. You must contact the Benefits Administrator to complete the Retirement Application. Your investment representative can assist you with payout options. Please refer to the pension vendor list, included in your FSIP information packet, for the name, email address, and phone numbers of your investment carrier and contact representative.

35. **Q. How can I withdraw my retirement income?**
   **A.** Members enrolled in the Alternate Benefits Program (ABP), can withdraw benefits in the form of a monthly annuity or a cash distribution. Annuity benefits are
calculated based on life expectancy, account accumulations and the distribution option selected. You should discuss your specific options with your ABP investment carrier and representative.

36. Q. Are my pension benefits taxed for federal and state taxes?
   A. Pension benefits are subject to federal and state income tax, however if you paid post taxes on any portion of your contributions to the pension plan, that portion of your monthly benefit is not taxed. You are encouraged to consult with your tax advisor on questions related to federal and state taxes.

Life Insurance

37. Q. Will I receive life insurance in retirement?
   A. Yes. Retirees enrolled in the ABP plan are eligible to receive group life insurance coverage of one-half of base salary if they have 10 or more years of pension service credit, and are age 60 at retirement.

38. Q. Can I convert my group life insurance at retirement?
   A. Yes. You have thirty-one (31) days following the date of retirement to convert all or a part of your group life insurance to an individual policy, without a physical exam. To convert your life insurance benefit, contact a Prudential Life Insurance Agent at 1-800-262-1112. The policy number is GI4800.

39. Q. How can I change my life insurance beneficiary?
   A. Change of beneficiary forms are available in Human Resources.

Disclaimer: The FAQs are intended to provide you with an overview of benefits offered under the Faculty Separation Incentive Program at New Jersey Institute of Technology. Provisions of the various State funded plans will continue to be determined by law and the union contract.