

McNeese State University Tenured Faculty-Retirement/Resignation Incentive Plan
Fall 2023
Tenured Faculty-Retirement Incentive Plan
University of Louisiana System Policy Number FS-III.II.G-1

Background and Purpose:

Projected declines in revenues over the next several years will present significant challenges to McNeese State University. McNeese will continue to fulfill its role, scope, and mission; however, projected reductions in revenue will cause extreme budget constraints for the next few years. Operating budgets have been reduced to minimum levels in order to handle recent budget cuts. Additional cuts call for reduction in personnel. Academic programs and the functions of academic support and administrative offices are being reviewed in an effort to identify essential functions for the University to continue its teaching mission with programs and services that are appropriately productive and efficient. One strategy to meet projected operating budget reductions is to reduce the overall cost of instruction as represented by the salaries and benefits of faculty and staff members.

Eligibility for Retirement/Resignation Incentive Plan:

McNeese State University faculty who are tenured and who are eligible to retire according to the Teacher's Retirement System of Louisiana (TRSL) or the Louisiana State Employees Retirement System (LASERS) retirement rules may apply for the incentive. Tenured faculty participating in an Optional Retirement Plan must meet TRSL criteria for retirement. The incentive is available to tenured faculty who are eligible to retire, and who opt to separate from the University by resignation or retirement no later than June 30, 2024.

The position may not be filled at a salary higher than the incumbent. Alternatively, the position may be eliminated. As required by the University of Louisiana System Policy, a three-year cost savings must be realized.

Eligibility Criteria:

1. Currently tenured full-time faculty members (including those serving in administrative positions) may be eligible to participate in the plan. Persons holding 10 or 12 month positions will have salary prorated to 9 months for the purpose of determining incentive payout.
2. Participants must be eligible for regular retirement under Louisiana State Retirement System (LASERS) or Teachers' Retirement System of Louisiana (TRSL). Optional Retirement Plan participants must meet TRSL retirement eligibility as of the Retirement/Resignation Incentive Plan application date.
3. Employees may not have applied for retirement nor received notice of termination prior to application for the Retirement Incentive.

Methodology:

Incentive funding is limited. In an effort to ensure the preservation of a core talented faculty in each program, incentive compensation for retirement/resignation will be awarded to no more than 30 faculty or an aggregate payout of up to \$1,000,000 as determined through the following methodology.

1. Eligible tenured faculty will be notified by the Office of Human Resources of their retirement eligibility status. The date of the notification will be considered the Official Retirement/Resignation Plan Incentive Initiation Date. Faculty who have applied for retirement or who have been notified of termination by the Official Retirement/Resignation Plan Incentive Initiation Date are not eligible to apply. Faculty participating in or who have completed DROP may apply.
2. Announcements related to the plan will be made via campus digest announcement, and will be included in personal letters to persons eligible to apply. A faculty member's decision to participate requires completion of appropriate forms with signatures, and **is irrevocable once the selection is made**. The retirement/resignation will be effective no later than June 30, 2024.
3. Applications will not be accepted after the announced deadline for application. The deadline will be announced in personal correspondence to individual faculty and via the campus digest.
4. Retirement/Resignation Plan Incentive selection will be based on the distance of the salaries of applying eligible faculty members from the SREB average salary for the appropriate discipline and rank with the highest priority assigned to the eligible faculty members whose salaries are the highest as compared to the appropriate SREB salary benchmarks. This prioritization process will help to ensure the University achieves the greatest possible reduction in instructional cost as a result of the plan. In the event of a tie, priority will be given to the faculty members whose application was received first in the Office of Human Resources.
5. The University may determine an overall cap on the total amount of funds available for incentive payments.

Implementation:

In order to achieve overall reduction in the cost of instruction, McNeese State University will provide a one-time incentive plan for voluntary retirement/resignation of tenured faculty in accordance with University of Louisiana System PPM FS-III.II.G-1 (Tenured Faculty-Strategic Reduction Initiative).

1. Faculty who apply and qualify for the incentive and who are selected for the incentive will receive a monetary incentive to voluntarily retire/resign from the University no later than June 30, 2024. The one-time monetary incentive shall be 50% of the employee's actual nine-month base salary not including benefits for the current academic year. No incentive payment shall exceed \$45,000.

2. The required retirement/resignation date is no later than June 30, 2024.
3. Individual faculty who elect to participate in the Retirement/Resignation Incentive Plan are solely responsible for any and all related taxes that result from the incentive compensation payment. Retirement benefits are not deducted from the one-time monetary incentive and the monetary incentive is not included in earnings calculations for retirement benefits.
4. The Retirement/Resignation Incentive Plan applications will be available from November 20, 2023 to January 5, 2024, between the hours of 8:00 a.m. and 4:30 p.m. Monday through Thursday and 8:00 a.m. to 11:00 a.m. Friday in the Office of Human Resources. Completed applications for the Retirement/Resignation Incentive Plan will be accepted at the Office of Human Resources front desk. The HR Office will be closed from November 22, 2023 to November 24, 2023.
5. Faculty should submit applications in person, however they may fax or e-mail applications. Those who elect to fax or e-mail the applications are responsible for confirming the Office of Human Resources has received the application. (Fax Number 475-5104, Attention: Luci Mireles or amireles@mcneese.edu).
6. Applications for the program will be time and date stamped and will be accepted on a first-come, first-served basis until the cap limit is reached. Total funding for the incentive program will be capped at \$1,000,000.
7. Faculty must certify that they have read the ULS Board of Supervisors' PPM FS-III.II.G-1.
8. Applications will not be accepted after 11:00 a.m. on January 5, 2024; and the Retirement/Resignation Incentive Plan will no longer be available after 11:00 a.m. on January 5, 2024.
9. After applications are verified and participants selected, applicants who are selected will be notified of acceptance into the plan. The applicant shall submit a written notice of retirement/resignation not more than eight (8) days after receipt of notice of acceptance into the plan. The seven day reflective period will begin upon applicant's receipt of notice of acceptance into the program.
10. Once the selected participants are identified, the total projected savings for each position will be calculated for a three year period.
11. The decision to participate in the Retirement/Resignation Incentive Plan is irreversible.