

# University of Nebraska at Omaha Flexible Retirement Option (FRO) For Retirement-Eligible Tenured Faculty

October 14, 2020

## Questions & Answers

*These Questions and Answers are intended to provide general information regarding the UNO Flexible Retirement Plan (FRO) being offered to certain eligible faculty members by the University of Nebraska at Omaha (UNO). These Questions and Answers are not intended to provide any legal, financial, tax, accounting, or other advice of any kind. Any decision to participate in the UNO FRO is strictly voluntary and left to the independent judgment of faculty members as to what will be in their best individual interests.*

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### 1. Who is eligible to participate in the FRO?

A UNO faculty member is eligible to participate in the UNO FRO only if the faculty member meets each of the three following criteria:

- a. has a continuous appointment (tenure);
- b. is at least sixty-two (62) years old at the Date of Separation; and
- c. has completed at least ten (10) years of service upon the Date of Separation, as determined by the University's Human Resources office.

The following faculty members are not eligible to participate in the UNO FRO:

- a. pre-tenured faculty (specific term/tenure track);
- b. non-tenured faculty (e.g. lecturers, senior lecturers, extension educators, professors of practice, research faculty);
- c. medical, veterinary or similar professional residents/interns;
- d. postdoctoral research associates;
- e. faculty already party to a phased retirement agreement; and
- f. retirees.

### 2. I'm not certain that I want to participate in the UNO FRO this year. Can I wait until next year?

No, the UNO FRO has a limited "window" for which applications will be accepted. Applications will be accepted only during the time period from October 14, 2020 through 5:00 p.m. CST on December 3, 2020.

### 3. I turn 62 after October 1, 2020. Am I still eligible?

Yes, you are eligible to participate in the UNO FRO if you turn sixty-two (62) years old any time before the designated Date of Separation and meet the other two criteria.

Approved faculty members will be required to separate from their University employment on June 30, 2021 for annual twelve-month appointments and August 15, 2021 for nine-month academic year appointments ("Date of Separation").

### 4. Do my years of service need to be consecutive?

No, however, you must have ten (10) years of service with the University of Nebraska as of the Date of Separation to be eligible. Your years of service will be determined by the UNO Human Resources Benefits Office.

### 5. Are all applications for participation in the UNO FRO approved?

While UNO intends to allow as many eligible faculty members to participate in the FRO as possible, UNO reserves the right to limit the total number of participants in order to preserve the viability of programs and services, as well to remain fiscally responsible.

6. I have an approved faculty development leave or am planning to take a faculty development leave in 2021, am I still eligible to participate in the UNO FRO?

Because faculty members are required to return to their regular assignment at UNO following a paid faculty development leave, faculty members who agree to separate from their employment on the Date of Separation specified within the UNO FRO are precluded from being able to accept a paid faculty development leave during the spring semester of the 2020-2021 academic year.

7. What is the process to apply for the UNO FRO?

The application period for the UNO FRO begins on October 14, 2020 and ends on December 3, 2020. To apply for the UNO FRO, download and complete the UNO FRO Application Form and then submit the completed form to the Senior Vice Chancellor for Academic Affairs, Flexible Retirement Option, Eppley Administration Building 202, 6001 Dodge Street, Omaha, Nebraska 68182, on or before the close of business (5:00 p.m. CST) on December 3, 2020, unless prior arrangements have been made with that office. Application forms that are mailed must be postmarked on or before December 3, 2020.

On or before December 16, 2020, UNO FRO applicants will be notified in writing whether their applications have been approved. If approved, the notification will include instructions on how to pick up and execute the UNO FRO Separation Agreement. UNO FRO Separation Agreements will be available for pick up from December 16 to December 20, 2020. You will be granted a period of not less than forty-five (45) calendar days to review the proposed Separation Agreement before signing and submitting it. If you elect to sign the Separation Agreement, you must submit it to the Office of the Senior Vice Chancellor for Academic Affairs on or before the close of business (5:00 p.m. CST) on February 13, 2021, unless prior arrangements have been made with that office. You will not be allowed to participate in the FRO until the Separation Agreement has been executed and has become effective.

8. What is the deadline for applying for the UNO FRO?

The application period for the UNO FRO will begin on October 14, 2020 and will end on December 3, 2020. Applications submitted later than 5 p.m. CST on December 3, 2020 will not be considered.

9. If I decide to apply for the UNO FRO, when will I know if I've been accepted?

UNO will notify you no later than December 16, 2020 as to whether your application has been approved. If approved, your notification will include instructions on how to obtain your Separation Agreement.

10. How will approvals for the UNO FRO be determined?

The UNO Chancellor ultimately will decide whether to approve a voluntary separation agreement for any eligible faculty member who has applied to participate in the UNO FRO, taking into consideration the following criteria: (a) the faculty member has met all requisite eligibility requirements to participate in the UNO FRO, and (b) the faculty member's separation will not hinder the unit's ability in the short term to achieve its strategic and organizational missions, as noted in Question #5 above.

11. If I am not approved for the UNO FRO, can I request a reconsideration of the decision?

You may submit a request in writing for reconsideration of the decision to the Senior Vice Chancellor for Academic Affairs.

12. What happens if I apply for the UNO FRO, then decide I do not want to resign or retire?

You may withdraw an application to participate in the UNO FRO at any time prior to submitting an executed Separation Agreement. To withdraw an application, you should download and complete a Withdrawal Form and submit it to the Office of the Senior Vice Chancellor for Academic Affairs.

You also may revoke a submitted Separation Agreement within seven (7) calendar days following the date that you sign the agreement. Revocation of the Separation Agreement must be clearly stated in writing, must be signed by you, and must be received by the Office of the Senior Vice Chancellor for Academic Affairs within the revocation period. Revocation of the Separation Agreement will constitute an automatic withdrawal of your application to participate in the UNO FRO.

13. What factors should I consider when deciding if I want to participate in the UNO FRO?

Because this decision may have considerable impact on you financially and personally, UNO encourages you to consult with a financial or tax specialist so that you may have a better understanding as to how this decision will impact your retirement benefits, social security benefits, and health care coverage.

14. How is my UNO FRO payment determined?

Approved faculty members who have fulfilled the requisite terms for participating in the UNO FRO will receive a lump-sum payment that is equivalent to eighty percent (80%) of faculty member's annual base salary as of October 1, 2020, less any required deductions. The faculty member's base salary is the base salary associated with the faculty member's appointment and does not include any other payments, such as additive pay or stipends.

To obtain an individualized calculation of the estimated UNO FRO Incentive Payment, please contact:

Angela Sargus, Executive Associate, in the Office of Academic Affairs  
Eppley 202 | 402.554.2907 | [asargus@unomaha.edu](mailto:asargus@unomaha.edu)

15. May I have my UNO FRO payment made through direct deposit into a bank account?

Yes, UNO will automatically deposit the participant's UNO FRO payment into the same direct deposit account used for the participant's regular paycheck.

If a participant's bank account changes following the Date of Separation, but prior to receipt of the incentive payment, the participant must notify UNO Payroll of the change in direct deposit information.

16. When will I receive my last paycheck and UNO FRO payment?

The University will issue the UNO FRO incentive payments to participants within thirty-one (31) calendar days following their respective Date of Separation.

17. Will my UNO FRO payment be taxed?

Because the UNO FRO incentive payment constitutes income to the participant, all applicable payroll deductions will be withheld from that payment (including federal income tax, Nebraska state income tax, and FICA). UNO encourages participants to consult with their tax and financial advisors, as well as with representatives of their retirement plans. UNO FRO participants may modify both their federal income tax and Nebraska state income tax withholding rates through Firefly if they deem it necessary.

18. Can I delay receipt of the UNO FRO (retirement lump sum payment) until the next tax year?

Internal Revenue Service regulations preclude the deferral of the UNO FRO incentive payment to another tax year.

19. Will my future UNO FRO payment be payable to my estate if I die before receiving it?

A participant may designate a beneficiary to receive the UNO FRO incentive pay should the faculty member die before the UNO FRO incentive pay is distributed. This designation will be reflected within the Separation Agreement signed by the participant.

20. What are the benefits of UNO FRO for me?

The primary benefit to an eligible faculty member who chooses to voluntarily participate in the UNO FRO is that the faculty member will receive an incentive payment that otherwise is not available. The decision by an eligible faculty member to participate in the UNO FRO is left solely to the independent judgment of the faculty member as to what will best serve that faculty member's best interests.

21. Do the UNO FRO benefits include health insurance coverage?

Faculty members electing to participate in the UNO FRO will no longer be able to participate in the University's health insurance plans except to the extent permitted through the University of Nebraska's retiree insurance program or to the extent permitted under the Consolidated Omnibus Budget Reconciliation Act ("COBRA").

22. How do I ensure continuation of my health (medical, dental and/or vision) insurance?

Faculty members participating in the UNO FRO will have their elected insurance coverage continued through the date of their last regular paycheck. To discuss continuation of your insurance coverage through the University of Nebraska benefit plans, please contact the UNO Office of Human Resources, (402) 554-2321, prior to retirement.

**23. Can I make changes to my health care or dental coverage at the time I retire under the UNO FRO?**

You can make changes during the University of Nebraska open enrollment period during November 2020 and effective January 1, 2021. At the time of retirement, you may change who is covered under your insurance plan.

**24. Will I be able to immediately draw retirement benefits if I participate in the UNO FRO?**

The normal rules governing retirement distribution will apply to you following your separation from employment under the UNO FRO. The rules affecting how much and when a participant may begin receiving retirement payments are completely independent of the FRO. This is true for all retirement plans.

Before enrolling in the UNO FRO, participants are encouraged to contact a retirement plan representative (TIAA-CREF or Fidelity) and the UNO Office of Human Resources to find out more about retirement benefits.

**25. How do I get information on retirement benefits?**

An estimate of retirement benefits can be obtained by contacting a representative with the employee's selected retirement plan.

The following contacts for the two University of Nebraska retirement benefit providers are:

TIAA-CREF

1-800-732-8353

To schedule a one-on-one session with a TIAA-CREF representative

Fidelity

1-800-642-7131

To schedule a one-on-one session with a Fidelity representative

**26. How can I find out about my social security benefits?**

Contact the Social Security Administration [<http://www.ssa.gov>]. The general toll-free phone number for the Social Security Administration is 1-800-772-1213. The Omaha office is located at 604 N. 109<sup>th</sup> Court, Omaha, NE 68154.

**27. What happens to accrued and unused vacation leave and floating holidays for 12-month tenured faculty under the UNO FRO?**

Participating faculty members who have a balance of vacation hours and floating holidays will receive a lump sum payment of the accrued balances in their final paycheck. Payment is made at the individual's current rate of pay as of the Date of Separation.

28. Will other campuses in the NU System be instituting a FRO as well?

The present process is specific to UNO.

29. Who can answer questions about the UNO FRO?

Please contact Angela Sargus, Executive Associate, in the Office of Academic Affairs  
Eppley 202 | 402.554.2907 | [asargus@unomaha.edu](mailto:asargus@unomaha.edu)