



MARQUETTE  
UNIVERSITY

OFFICE OF THE PROVOST

## Tenure buyout Q&A

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Q. When and how are the **tenure buyout payments made**?

A. All tenure buyout payments are made through payroll.

- Immediate retirement-spring (May/June): 2 payments—1<sup>st</sup> payment end of June; 2<sup>nd</sup> payment end of January of the following year.
- Immediate retirement-December: 1 payment—end of January the following year
- Part-time retirement-Phased One Year tenure buyout: ½ annual salary paid through payroll at the end of each month as wages during working months of contract for one year **AND** tenure buyout paid in 2 payments at end of working contract. 1<sup>st</sup> payment made by end of June; 2<sup>nd</sup> payment end of January of the following year.
- Part-time retirement-Phased Two Year tenure buyout: ½ annual salary paid through payroll at the end of each month as wages during working months of two year contract **AND** ½ annual salary paid at end of each month as tenure buyout for two years. No lump sum payment at end of working contract.

Q. Is **social security** taken out of tenure buyout lump sum checks?

A. Yes. The tenure buyout is treated as wages that are subject to FICA.

Q. Are **Federal and State taxes** taken out of my tenure buyout check?

A. Yes. Tenure buyout payments are treated as wages so are subject to Federal and State taxes.

Q. Can you help me **estimate the tax** implication for the tenure buyout check(s)?

A. No. Because the Payroll Office does not know your estimated income for the year in which you receive the buyout checks, our payroll specialists cannot estimate your taxes. Please see your financial specialist.

Q. When does **health insurance** end?

A. At the end of the month during your last working month as a full-time employee.

- For spring retirees taking the immediate buyout: May 31 for faculty on 9 month contracts or June 30 for faculty on 12 month contracts
- For fall retirees taking the immediate buyout: December 31
- For those choosing a phased option for tenure buyout and converting to part-time faculty: July 31

Q. Can I stay on Marquette's **COBRA health insurance** plan after retirement if I am not yet eligible for Medicare?

A. Yes, for up to 18 months. Or, retirees who are not yet 65 years old have the option of purchasing Marquette Retiree health, dental and vision insurance through the University until eligible for Medicare.

Q. How much does **retiree insurance cost**?

A. Note that the *entire* premium must be covered by the faculty member. For the 2018 rates, please see: <http://www.marquette.edu/hr/documents/2018RetireeRates.pdf>

Q. If I am taking a phased option and working part-time for one or two years, will the **stipend I receive for my medical, dental and vision benefits be taxable**?

A. Yes, it will be taxable. Note that you are free to choose any insurance plans you wish during the time you receive the stipend.

Q. Is Marquette's **TIAA match** made on the tenure buyout payment?

A. No. The law allows the match to be made only on working wages and not for any payments that are related to a resignation and release payment.

- Marquette will match the part-time salary in the Phased One plan (i.e., ½ salary)
- Marquette will match the *working portion* of salary in the Phased Two plan (i.e., both years at ½ salary because the faculty member is working at half time and the other half is the buyout of tenure)
- Marquette will not match lump sum payments made at the end of June or January.

Q. Can I still make a TIAA 403(b) contribution from my tenure buyout lump sum payment, even if there is not a university match?

A. Yes, you can contribute to the plan up to the IRS allowable maximum per year as long as you are an *active employee with Marquette* (full or part-time).

Q. When do I have to notify Marquette that I wish to retire and select the option I prefer?

A. Spring Retirements (May/June): Applications for retirement and tenure buyout are accepted between September 15-December 1 for those who wish to retire the following May or June. The deadline for spring applications is 4:30 pm on December 1, no exceptions. If December 1 falls on a weekend, the deadline is 4:30 pm the next business day.

B. Fall Retirements (December): Applications for retirement and tenure buyout are accepted between November 15-February 1 for those who wish to retire the following December. The deadline for fall applications is 4:30 pm on February 1, no exceptions. If February 1 falls on a weekend, the deadline is 4:30 pm the next business day.

Q. Can I hold **full-time employment** after I retire?

A. Yes, if you wish; although you may not hold full-time employment at Marquette University.

Q. Can I keep my **email** address?

A. Only faculty members who reach the status of emeritus may retain email.

Q. When should I apply for **emeritus** status?

A. By December 1 in the final year in which you are a full-time faculty member.

Q. If I am still named on grants, can I still **work on those grants** as faculty emeritus?

A. Yes. Be sure to let ORSP and your budget director know that you are staying on with a grant so that they can ensure that access to everything you need in the system remains active.

Q. If I have **patents pending** and I retire, am I still eligible for royalties if the patent is granted?

A. Yes. Royalties transcend retirement or leaving Marquette. A faculty member is still an inventor and is eligible for royalties once legal bills are paid off, etc.