



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 Benefits: 2 payments—1st payment end of June; 2nd payment end of January of the following year.
- Phased Benefits – Two-year Phased Option: 75% of your annual salary is paid through payroll at the end of each month as wages during the working months of the two-year contract. Of that 75% of your salary, half is attributed to your teaching load and half is attributed to the tenure buyout payment.

Q. What if I am **turning 68 during AY2021-2022**?

A. If you are turning 68 during AY2021-2022, you can take advantage of the policy as if you were 67 during the entire AY2021-2022.

Q. Does the program allow for **retirement in December**?

A. No. The program only allows for retirement in May or June after the spring term.

Q. In the case of Phased Benefits, when does my retirement start?

A. In the case of Phased Benefits, as with Immediate Benefits, your retirement starts on the date of surrender of tenure.

Q. Is the application process for retirement separate from the Application for Benefits for Surrender of Tenure?

A. If a faculty member wishes to retire at any time, she or he is eligible under the UPP 4-18 Definition of “Retiree” and Summary of Retiree Benefits, the proper step is to notify Chair or Dean in writing that you are retiring and provide the retirement date. No application is required. In contrast, if you wish to participate in the Tenure Buyout program, you must submit an Inquiry by November 10, and the completed Application for Benefits for Surrender of Tenure by November 15.

Q. Is **social security** taken out of my tenure buyout payments?

A. Yes. Tenure buyout payments are taxable under FICA.

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

A. Yes. Tenure buyout payments are subject to Federal and State taxes.

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

A. No. The University cannot provide any personal tax or financial consultations to employees. Please refer such questions to your accountant or financial advisor.

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

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

- For retirees taking the immediate buyout: This will be May 31 for faculty on 9-month contracts or June 30 for faculty on 12-month contracts.
- For those choosing the Phased Benefits on the Two-year Phased Option for tenure buyout and converting to part-time faculty: May 31. (Note that while health insurance coverage doesn't necessarily end when faculty become part time, the employee premium amount would increase if they choose to continue coverage.)

Q. Can I stay on Marquette's health insurance plans through **COBRA coverage** after I'm no longer working?

A. Yes, for up to 18 months. Also, 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. Note that if you do not enroll in retiree coverage within 30 days of your last day worked, you will **NOT** be eligible to elect MU's Retiree coverage at any point in the future.

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

A. See Benefits for Marquette Retirees for more information on retiree insurance premiums.

Q. If I am taking the **Phased Benefits – Two-year Phased Option** and working part-time for two years, will the **subsidy I receive for my medical, dental and vision benefits be taxable**?

A. Yes, it will be taxable. The amount you receive is based on the plans you are enrolled in at the time of your application for the tenure buyout policy.

Q. Is Marquette's 403(b) (via **TIAA**) **match** made on the tenure buyout payment(s)?

A. No. The match is only applied to working wages and not for any payments that are extra remuneration.

- As long as the employee remains working a minimum of half time in a benefits-eligible position, Marquette will match the *working portion* of salary in the Phased Benefits – Two-year Phased Option.
- Marquette does not provide 403(b) matching to Tenure Buyout payments.

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

A. **No.** 403(b) contributions cannot be made from tenure buyout lump sum payments. Faculty may, however, increase their overall 403(b) contribution from their working wages up to the IRS allowable maximum ahead of receiving the payments.

Q. How do I **apply** for surrender of tenure?

A. The surrender of tenure is a **two-step process through DocuSign**, which permits signing and sending electronically. Step 1 The faculty member submits an Inquiry form to the Office of the Provost. With this information the Office of the Provost verifies eligibility and benefits information for the faculty member. **Submitting the Inquiry does NOT obligate you to move forward.** The Inquiry form is due at 4:30pm on November 10. If November 10 falls on a weekend, the deadline is 4:30pm the next business day.

Step 2: The Office of the Provost then generates the Application for Benefits for Surrender of Tenure for the faculty member to complete. The Application for Benefits for Surrender of Tenure must be submitted by 4:30pm on November 15. If November 15 falls on a weekend, the application deadline will be 4:30pm the next business day.

Q. When do I have to notify Marquette that I wish to retire and participate in the tenure buyout program and select the option I prefer?

A. Applications for retirement and tenure buyout are accepted between September 1-November 15 for those who wish to retire the following May or June. The deadline for applications is 4:30 p.m. on November 15, no exceptions absent extraordinary circumstances. If November 15 falls on a weekend, the deadline is 4:30 p.m. the next business day.

During AY2021-2022, the deadline to submit an inquiry is 4:30 p.m. on January 26, 2022. The deadline to submit the completed Application for Benefits for Surrender of Tenure, in which you select the option you prefer, is 4:30 p.m. on February 1, 2022.

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

A. Yes, if you wish; although you may not hold employment at Marquette University except as approved by Provost. In order to take advantage of the Tenure Buyout, you cannot hold employment as a tenured faculty member at another institution either during the year immediately following the Immediate Benefits or during the time period in which the faculty member remains employed at Marquette in a lesser role through the Phased Benefits – Two-year Phased Option.

Please note that any time worked at Marquette post tenure-buyout will impact your ability to access some of your 403(b) funds (i.e., when you are again in “active” employee status, it limits your access to Marquette matching funds).

Q. Can I keep my email address?

A. Only faculty members who are granted emeritus status may retain their email account through Marquette University.

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. If granted, emeritus rank takes effect upon retirement.

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.

Please note that any time worked at Marquette post tenure-buyout (including grants) will impact your ability to access some of your 403(b) funds (i.e., when you are again in “active” employee status, it limits your access to Marquette matching funds).

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

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