

LETTER OF AGREEMENT
ROWAN FEDERATION OF TEACHERS, LOCAL 2373

And

ROWAN UNIVERSITY

WHEREAS, during the Spring 2020 semester, a global pandemic associated with the novel coronavirus, COVID-19, prompted a nationwide shutdown of public establishments and business of every type and nature, in New Jersey and throughout the country, to protect the health and safety of its citizens, and which presently continues, and

WHEREAS, the public health emergency related to COVID-19, Executive Order 104 and other governmental actions required major campus closures and changes in operations that have caused unforeseen and unprecedented reductions in revenues and increases in costs for the University, and

WHEREAS Rowan University has provided a range of academic offerings including remote, hi-flex and in person in accordance with the related directives from the Governor of the State of New Jersey. Extensive modifications and adjustments in all aspects of instruction, research, and campus operations have been made and Rowan may be compelled to do so for the foreseeable future, and

WHEREAS, Rowan University incurred and is continuing to incur significant expenditures, reductions in campus operations revenues, and reductions in state operating appropriations due to the pandemic, and

WHEREAS, due to the economic crisis caused by the pandemic, and to achieve voluntary personnel savings,

IT IS ON THIS DAY OF December 28, 2020, Rowan University (the University) and the Rowan Federation of Teachers, Local 2373, (the Union) HEREBY AGREE AS FOLLOWS:

1. The intent of this Memorandum of Agreement is to offer a financial incentive to retire or resign to certain eligible long-term AFT unit members whose retirement or resignation would generate saving to the University.
2. The University recognizes the valuable contributions of these individuals and respects their many years of service to the institution and community.
3. The University would benefit from the cost-savings in salary and benefits from individuals who agree to retire.
4. Eligibility

AFT unit members may apply for the incentive program and a preferred program date according to eligibility set forth in paragraph #10. The university will attempt to approve at least one faculty member per department. If two or more eligible unit members from the same office or

department apply for the incentive program, approval will be determined by Administration based on the academic and operational needs of the University.

5. Professional Staff applications will be evaluated based on the operational and financial impact on the University. If a staff position must be replaced within the incentive period, approval will be contingent on review of the University's ability to effectively replace the position. The University may still elect to approve an application even if a replacement position is required.
6. Faculty and Staff applications not approved shall not be subject to Article VII of the parties' Collective Negotiated Agreement (Grievance procedure).

HEALTH BENEFITS IN RETIREMENT

7. A retired employee means a person who is eligible for coverage in the State Health Benefits Program I the retiree group whose benefits are based on twenty-five (25) years of pension service credits and the provisions of Letter of Agreement IV of the parties' Collective Negotiated Agreement.
8. Employees who have not attained twenty-five (25) years of pension service credit may extend their active employee group coverage by enrolling in COBRA coverage for a period of eighteen (18) months after termination of employment. The employee is responsible for paying the cost of coverage under COBRA, which is the full group rate plus two percent (2%) administrative fee. After COBRA there will be no further eligibility under the New Jersey system.
9. The University agrees to assist employees with processing their retirement applications to the Division of Pensions and Benefits to effectuate the retirement dates set forth below. Further, the University agrees to provide employees with relevant information on enrollment requirement for health benefits in retirement.

Individuals opting to retire will be subject to the New Jersey Employment after Retirement Restrictions. <https://www.state.nj.us/treasury/pensions/documents/factsheets/fact86.pdf>

10. In consideration for their voluntary agreement to retire or resign, eligible AFT unit members who opted to apply for and have been subsequently approved (under the terms of this Letter of Agreement) to sever their employment no later than June 30, 2022 shall receive an incentive as follows:

Minimum Service *	Incentive Compensation
30 years of service	60% of institutional base salary
25 years of service	50% of institutional base salary
20 years of service	40% of institutional base salary

*Eligible service is service in a full-time benefit-eligible position. A minimum of twenty (20) years of service must be performed at Rowan. Any additional state service will be added to determine percentage of pay-out. Employee must be an AFT unit member effective December 31, 2020.

CMSRU Faculty

Employees must be age 65 or over as of December 31, 2020 and have a minimum of 5 years of full-time service at CMSRU. If the application is approved, the faculty member shall receive 50% of institutional base salary

Applications for participation must be received by the close of business on Friday, January 15, 2021. Retirement election must be completed through the submission of the executed Retirement/Resignation Election Agreement and Release, and this document must be received by the Rowan University Office of Human Resources no later than the close of business on January 30, 2021. All applications for retirement/resignation election must designate a retirement/resignation date to begin no later than an effective date of July 1, 2022. Application acceptance may be for a later date than requested.

An expedited request for a Faculty retirement effective prior to the start of the spring, 2021 semester must be submitted no later than January 8, 2021.


AFT unit members who agree to retire or resign pursuant to this Letter of Agreement shall have an effective retirement/resignation of the first (1st) day of any month in calendar year 2021 and up to and including July 1, 2022.

Under this letter of Agreement, faculty may not opt to retire during an academic semester. Faculty electing to retire after the completion of the fall semester will be paid the balance owed to equal 50% of their annual compensation.

11. In consideration for their agreement to retire, AFT eligible unit members who opt to retire under the terms set forth herein, shall receive a lump-sum payment equal to 50% of the total pay-out payable on the first regular pay date in the first month after the date of their effective retirement date. An equal pay-out will be paid on the first regular pay period twelve months later.
12. The Union and participating AFT unit members agree that retirement or resignation under the terms of this Memorandum of Agreement is an irrevocable agreement to retire or resign.
13. The parties agree that this Memorandum of Agreement shall not be subject to the grievance procedure other than to enforce the payment provisions of paragraphs #10 and #11 above. Further, the parties agree that alleged violations of paragraphs #10 and #11 shall be subject to binding arbitration.
14. This Memorandum of Agreement shall not be deemed to set a precedent and shall not be cited in any other forum for any purpose except to enforce its terms.

15. Agreement to retire/resign and acceptance of the monetary incentive to retire does not preclude any participating AFT member from applying for retirement benefits provided by the parties Collective Negotiated Agreement.
16. This Memorandum of Agreement shall not serve to modify the parties Collective Negotiated Agreement.

FOR THE UNIVERSITY:



FOR THE UNION: