

FRANKLIN & MARSHALL

Pre-retirement Leave of Absence Program Agreement

Made this ____ day of _____, 20____, by and between _____
a full-time faculty member of the College (hereinafter "Faculty Member") and Franklin & Marshall College, a not-for-profit academic institution (hereinafter the "College").

Background

The College has developed a Pre-retirement Leave of Absence Program (the "Program") for its full-time faculty members, who are at least age 64, to elect to take a one-academic-year leave of absence in preparation for full retirement from the College. The terms of the Program are more fully described in a policy published by the College.

Now, therefore, in consideration of the mutual promises contained herein and intending to be legally bound, the parties agree as follows:

1. Faculty Member Election. Faculty Member makes an irrevocable election, with the consent of the College and the Department of _____, to enter into this "Pre-retirement Leave of Absence Program Agreement" as described in the College's published policy which is attached and incorporated by reference.
2. Commencement of Program. From July 1, 20____, through June 30, 20____, Faculty Member will participate in a leave of absence from the College. The maximum period of this leave of absence is one academic year. During the leave of absence, Faculty Member will have no formal duties or responsibilities to the College.
3. Full Retirement. Faculty Member hereby irrevocably agrees to fully retire from the College at the end of the leave of absence period: effective June 30, 20____. The College will rely on this retirement agreement in planning for its academic staffing including the employment of additional faculty.
4. Salary. Faculty Member will receive the percentage salary increase that faculty outside the merit system receive, effective as of the July 1 when the leave commences. During the academic-year leave of absence, Faculty Member's salary will be at an annual rate of fifty percent (50%) of what his/her full base salary would have been for that academic year. Salary will be paid in 12 equal monthly installments during the leave of absence period.

5. Benefits. During the leave of absence, Faculty Member will continue to be eligible for health insurance and prescription drug coverage, dental coverage, College-provided contributions to the Retirement Plan, life insurance coverage, and education assistance benefits, all per standard policies of the College. Faculty Member understands and agrees long-term disability insurance coverage will be discontinued on the day the leave commences. College-provided contributions to the Retirement Plan and life insurance coverage will be based on Faculty Member's *reduced* salary during the academic-year leave of absence period.

Upon full retirement, Faculty Member will be eligible for medical and prescription drug coverage during retirement based on the standard terms of the College's Emeriti Retirement Health Plan.

6. Outside Employment. Faculty member may accept outside employment during the leave of absence.
7. Faculty Status. As a participant in this Program, Faculty Member will continue to be an active faculty member, with a full vote in faculty meetings; however, the Faculty Member shall not be eligible to serve as a department chair or hold other academic positions that require full-time service. Faculty Member will receive the standard Faculty Research and Professional Development fund amount during the leave year.
8. Miscellaneous. This Agreement sets forth the entire agreement between Faculty Member and the College pertaining to the terms of this Pre-retirement Leave of Absence Program. Except as expressly amended above and including the Faculty Member's agreement to enter full retirement at the end of the leave of absence, the terms of Faculty Member's employment will continue to be governed by the Faculty Handbook as amended from time-to-time. Because of Faculty Member's irrevocable agreement herein to terminate his/her active employment status at the end of the leave and the College's concurrent commitment to continue compensation payments and benefits through the leave, for purposes of Internal Revenue Code Section 457 this Agreement constitutes a bona fide severance pay agreement and not a deferred compensation agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date above first written.

FRANKLIN & MARSHALL COLLEGE

Provost and Dean of the Faculty

Date

Faculty Member

Date

The following acknowledges that the Department Chair is informed of this agreement:

Department Chair

Date

cc: Director, Human Resources