LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM
Policy # 6.035

Title: Incentivized Retirement of Tenured Faculty

Authority: Board Action

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Effective Date: December 12, 2012

Projected declines in state revenues over the next several years will present challenges for system institutions in reducing their operating budgets while continuing to meet their respective role, scope and mission.

The Board recognizes the important contributions which have been made over the years by its employees and has authorized retirement and resignation incentives for tenured faculty to assist the institutions in meeting the challenges created by fewer financial resources, which may require a reduction in workforce.

In order to address these challenges and in accordance with these guidelines, Chancellors and Directors may develop plans which incentivize retirement or resignation of tenured faculty. College leadership shall remain aware that these offerings are designed to assist them in transitioning to a college workforce that will be smaller in the future and will ensure that implementation of such a plan shall result in savings over the target period. However, at no time will the operational effectiveness of the institution be reduced as the result of these actions.

I. Eligibility

A. Only currently tenured full-time faculty members may be eligible to participate.

B. Employees shall not have applied for retirement, tendered their resignation, nor received notice of termination prior to application to participate in this plan. This exclusion shall not include those who are technically retired under DROP and are still working.

II. Plan Development

A. Any college choosing to implement these retirement/resignation incentive options shall submit a plan to the System office for review and approval by the System President.

B. Implementation of the plan should demonstrate significant savings and benefits to the college over the full term of the plan.

1. The plan shall define the process to be used for application, review and approval.

2. The plan may provide for limitations to specific academic units and/or divisions as part of an overall college cost reduction strategy.

3. The plan may provide for a cap on the number of participants or a specified savings amount.

4. The plan shall identify any transition issues for the college.

5. The plan shall identify whether the position is to be abolished following the offering or will require replacement, and the subsequent cost-vs-net savings.

6. The plan shall include documentation of total projected savings each year for a three year period. The plan shall exhibit a three year savings for each participant's position.

7. The plan shall not discriminate against any employee eligible for participation in this plan.

III. Employee Status

A. Participants shall be considered retired or resigned and relinquish all rights to tenure/permanent status.

B. All retirement benefits and leave earnings shall be calculated in accordance with state law and retirement systems rules and policies.

C. The decision to participate is irrevocable once an application to participate in this plan has been submitted.

IV. Participation and Compensation

A. Employee Participation

Participants shall not be rehired at any Louisiana Community & Technical College System institution on a full-time or part-time basis for a period of one year from effective retirement/resignation date. Any re-hires shall be in accordance with state law and retirement systems rules and policies.

B. Compensation

1. Payments shall not exceed 50 percent of the employee's annual salary; no payment shall exceed $50,000.

2. Incentives shall be in the form of a one-time lump sum payment and are

subject to all applicable state and federal tax laws and regulations.

3. Incentives shall not be paid prior to official notification of retirement or resignation of the employee.

V. Reporting Requirements

Campuses shall submit an annual report to the LCTCS Office of the Senior Vice President for Finance and Administration, for a period of three years, on actual cost savings realized as the result of implementation of this plan. The report is due October 1 of each year.