

Faculty Phased Retirement Program (PRP) Benefits Chart

Benefit Programs	Prior to Participation in the Phase Out Retirement Program (PRP)	Benefits During Phase Out Retirement Program	Benefits at the Completion of Phase Out Retirement Program
Retirement Incentive Payment	N/A	<ul style="list-style-type: none"> • Retirement Incentive Payment of up to one year's pay based on years of service at the rate of two weeks of pay for each year of service accrued as of July 1, 2012 (maximum of 52 weeks). This will include a 50% up-front payment with the balance spread over the phase-out period. For those fully retiring as of June 30, 2012, the up-front payment is the full Retirement Incentive Payment amount. • The remainder of the Retirement Incentive Payment is paid in installments following the end of the academic year based on satisfactory completion of the year's work. A PRP participant who drops out of the program forfeits any undispersed Retirement Incentive Payments 	N/A
Healthcare Program <ul style="list-style-type: none"> • CIGNA Medical* • CIGNA Dental <p>*Pharmacy and Vision Benefits are Included</p>	Healthcare Program for full-time employees.	<ul style="list-style-type: none"> • Retiree Healthcare Program Class II. Premium contribution; the same as full-time faculty members. • Even if age 65 or more, throughout the PRP program the University plan is primary and Medicare is secondary. You do 	<ul style="list-style-type: none"> • Retiree Healthcare Program. Premium contribution the same as retirees in applicable category below: <ul style="list-style-type: none"> - Hired prior to July 1, 1993 or those - Hired/Rehired after June 30, 1993 • Those age 65 and over must obtain Medicare Part

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		not need to obtain Medicare Part B at this time.	B in addition to Medicare Part A. University healthcare program will be secondary with Medicare primary.
Howard University Employees' Retirement Plan (Defined Benefit)	HUERP pension available, if age plus service equals seventy (70): <ul style="list-style-type: none"> • Upon retirement. • In-service, April 1st of calendar year following age 70 ½ 	HUERP pension available, if age plus service equals seventy (70): <ul style="list-style-type: none"> • In service distribution election beginning at age 62 • In-service, distribution continues for those already receiving pension based on April 1st of calendar year following age 70 1/2 	HUERP pension continues if elected prior to or during PRP <ul style="list-style-type: none"> • Must commence immediately if Normal Retirement Date has been reached, i.e., June 30th on or after 65th birthday.
Howard University Savings Plan Contributions (403(b), Roth and 457(b)) <ul style="list-style-type: none"> • Employee • Employer 	Based on FTE Salary - <ul style="list-style-type: none"> • Employee may contribute up to regulatory limits • Employer contributes 6% and matches up to 2% of Employee contribution, not to exceed regulatory limits 	Based on PRP Salary**- <ul style="list-style-type: none"> • Employee may contribute up to regulatory limits • Employer contributes 6% and matches up to 2% of Employee contribution, not to exceed regulatory limits 	No further contributions by Employee or Employer.
Howard University Savings Plan 403(b) Disbursements	<ul style="list-style-type: none"> • Loans • Hardships (Employee Contributions Only) • Age 59 ½ Withdrawals • Age 70 ½ Minimum Distributions 	<ul style="list-style-type: none"> • Loans • Hardships (Employee Contributions Only) • Age 59 ½ Withdrawals • Age 70 ½ Minimum Distributions 	<ul style="list-style-type: none"> • Loans • Hardships (Employee Contributions Only) • Distributions Based on Termination of Employment • Age 70 ½ Minimum Distributions
Life Insurance <ol style="list-style-type: none"> 1) Basic 2) Supplemental 3) Spouse 4) Dependent (\$10,000) 	<ul style="list-style-type: none"> • Based on FTE Salary • Based on FTE Salary • Based on FTE Salary • Dependent (\$10,000) 	<ul style="list-style-type: none"> • Based on FTE Salary • Based on PRP Salary** • Based on PRP Salary** • Dependent (\$10,000) 	<ul style="list-style-type: none"> • Based on last FTE Salary • Based on last PRP Salary** • Based on last PRP Salary** • Dependent (\$10,000)

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Remission of Tuition	Full-time (and 50%) faculty eligible. Dependents of full-time employees eligible. Policy provisions in force for credit hour limits and eligible academic programs.	Benefits continue as if full-time faculty member for self and eligible dependents.	Retirees are eligible only if receiving HUERP pension for up to 21 credit hours per semester. Eligible dependents receive same benefits as dependents of active full-time employees.
Short-Term Disability	Based on FTE salary, 50% of weekly base pay up to \$1,000 per week up to six (6) months.	Based on PRP** salary, 50% of weekly base pay up to \$1,000 per week up to six (6) months.	N/A
Long-Term Disability	Based on FTE Salary, 60% of monthly base pay up to a maximum of \$10,000 per month until the earlier of Social Security Normal Retirement Age, or until disability ends.	Based on PRP** salary, 60% of monthly base pay up to a maximum of \$10,000 per month until the earlier of Social Security Normal Retirement Age, or until disability ends.	N/A
Permanent Disability or Death (Retirement Incentive Payments)	N/A	Remaining Retirement Incentive Payments will be paid out as a lump sum to the estate of the PRP participant.	N/A
Flexible Spending Account (Based on Pre-Tax Dollars)	<ul style="list-style-type: none"> • Healthcare (\$3,000 , will be reduced to \$2,500 beginning January 1, 2013) • Dependent Care (\$5,000) 	Employee contributions may continue, up to regulatory limits.	N/A
Employee Assistance Program	Available to all full-time employees and their dependents.	Continues.	N/A
Federal and State Income Tax	Taxes applied to all income.	<ul style="list-style-type: none"> • PRP earnings are subject to Federal and State taxes. • HUERP: Subject to both Federal and State (mandatory withholding) income tax. • Retirement Incentive Payments earnings are subject to Federal and State taxes. 	<ul style="list-style-type: none"> • HUERP: Subject to both Federal and State (mandatory withholding) income tax

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Social Security and Medicare Tax	Payroll taxes are withheld from salary for Social Security and Medicare.	<ul style="list-style-type: none"> PRP earnings are subject to Social Security and Medicare taxes. Retirement Incentive Payments are earnings and subject to Social Security and Medicare taxes. HUERP: Not subject to Social Security and Medicare taxes. 	<ul style="list-style-type: none"> HUERP: Not subject to Social Security and Medicare taxes.
Social Security Benefits	<ul style="list-style-type: none"> You may start receiving benefits as early as age 62. For those born in 1947 (turning 65 in 2012), normal retirement age for Social Security is 66 years. If under SS normal retirement age when you begin Social Security benefits, \$1 in benefits will be deducted for each \$2 earned above the annual limit. For 2011, the limit is \$14,160. In the year you reach full retirement age, \$1 in benefits will be deducted for each \$3 you earn above a different limit but only for the months before the month you reach the full retirement age. For 2011, the annual limit is \$37,680. Starting with the month you reach normal retirement age, you can receive your full Social Security benefits with no limit on your earnings. 	<ul style="list-style-type: none"> Same Note that the Retirement Incentive Payment earnings during the phase out retirement period are also considered earnings for purposes of the Social Security offset. 	Same
Other Benefits Offered paid by the Employee: <ul style="list-style-type: none"> AFLAC Home and Auto Insurance ARAG Pre-Paid Legal Long Term Care CIGNA AD&D 	Available to employees who work full-time and have these payments payroll deducted.	May continue benefits by payroll deductions.	May continue Long Term Care only.

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Financial Planning	All Employees eligible to participate in the PRP (not just those who indicate their preference to participate in the PRP program) will be given the option of receiving independent Financial/Retirement Planning. Employees who choose to go to their own advisor will be reimbursed up to \$400 in the aggregate. The Financial planning must be completed by Friday, November 18, 2011.	All Employees eligible to participate in the PRP will be given the option of receiving independent Financial/Retirement Planning from a firm to be Determined. Employees who choose to go to their own advisor will be reimbursed for up to \$400 in the aggregate. The Financial planning must be completed by Friday, November 18, 2011.	N/A
Workers' Compensation	All University employees are covered.	Coverage continues at the PRP earnings rate (excludes the Retirement Incentive Payments).	N/A

Note: Howard reserves the right to make changes to its benefits program for all employees, retirees and beneficiaries. Any such benefit changes will also apply to the PRP participants and beneficiaries. Benefits are subject to the actual plan terms in effect at a given time. In the event of a conflict between the terms of any benefit plan and this summary, the terms of the benefit plan will control.

** PRP Salary is based on the percent workload specified in the Faculty Phased Retirement Agreement.

Footnotes:

1. PRP participants will not be eligible for sabbatical or any type of paid leave that is provided pursuant to University policies.
2. If you are certified for Long Term Disability (LTD) benefits after the PRP Agreement is signed, but prior to 7/1/2012, your employment will end as of the date of LTD certification and you will receive 50% of the Retirement Incentive Payment up front with the balance spread over the phase out period designated in your PRP Agreement.

If you are on approved Short Term Disability (STD) benefits either at the time or after the PRP Agreement is signed, but prior to 7/1/2012, you will receive 50% of the Retirement Incentive Payment up front and the balance spread over the phase out period designated in your PRP Agreement. You will not be entitled to any additional HU income sources until you return to duty, provided that your return is before the expiration of the STD period, i.e., six months. If you do not return to duty prior to the expiration of the STD period, you will not be entitled to any further HU income under the PRP, but may apply for LTD benefits or continue/commence/defer HUERP benefit payments.