

Dear Colleague,

I am writing to tell you that the University will revise the voluntary Faculty Retirement Incentive Program ("FRIP"), effective September 1, 2009. So that everyone who might be eligible for the program is aware of it, I am sending this announcement of the program to all faculty members.

The program effective on September 1st will provide the same overall financial benefits for faculty available under the prior program. However, in response to requests from faculty interested in working longer, two changes have been made. First, the eligibility requirements under the new program have been changed so that faculty aged 63 to 71 with 15 years of service at 50% time or more can retire under FRIP. Second, the program design has been changed so that participating faculty are recalled to service at 50% time for one or two years immediately following retirement. During the 50% recall appointment, the faculty member will receive payments equal to full salary, comprised of one-half in recall salary and one-half in FRIP benefit. The remaining FRIP benefit will be paid in a lump sum after completion of recall service. The new program spreads the tax impact of the FRIP benefit over more than one year.

Prior to launching the new plan in September, the University will offer a special retirement opportunity ("FRIP Transition Plan"). All faculty members at least 60 years old, who meet the service requirements of 15 years of service at 50% time or more, will receive a FRIP benefit of two times base salary, if they elect to participate by August 31, 2009 and then retire by March 15, 2010. There is no upper age limit on this special retirement opportunity. In addition, faculty members aged 65 and older who elect to participate in the FRIP Transition Plan will receive an additional retirement incentive of one-half to one year of base salary, depending on their years of service to the University. Faculty electing to participate in the FRIP Transition Plan will not be recalled to service after retirement unless requested by the dean of the school to perform specific duties.

I hope you find this information helpful in your planning. For a copy of the program statement and further information regarding the special retirement opportunity, please go to <http://provost.stanford.edu/frip/>. My staff in the Faculty Affairs Office would also be happy to answer any questions you might have. They can be reached at facultyaffairs@stanford.edu or at 723-4830 or 724-2545.

With best regards,

John Etchemendy
Provost