

MEMORANDUM OF AGREEMENT
between
Portland State University (University)
and
and the Portland State University Chapter
of the American Association of University Professors (Association)
October 15, 2024

Subject: 2024-25 Retirement Incentive Option (RIO) Program

Recital:

Portland State University (“the University”) and the American Association of University Professors (“the Association or AAUP”), hereinafter referred to as “the parties,” agree to provide a retirement incentive program for the 2024-25 fiscal year. The Retirement Incentive Option (RIO) is a component of the University’s Financial Sustainability Plan.

Agreement:

1. Those AAUP bargaining unit members who meet all of the following criteria shall be eligible to participate:
 - a) The employee must be an AAUP-represented faculty and be either a tenured faculty member or a non-tenure track faculty member with continuous appointment.
 - b) The employee must be either:
 - i. at least age 55 as of June 30, 2025, and have at least five years of PERS/ORP retirement credit or be fully vested in PERS or ORP as of June 30, 2025,
or
 - ii. have at least 30 years of retirement credit with the Oregon Public Employee Retirement System (may include non-PSU service).
 - c) The employee cannot be currently employed in a post-retirement position. This includes having retired from PERS/ORP from a different PERS/ORP employer.
 - d) The employee must continue employment until at least the end of Winter 2025 (March 31, 2025) and must discontinue employment no later than June 15, 2025 (9-month appointment) or until June 30, 2025 (12-month appointment).

- e) The employee must officially retire with PERS/ORP using an effective date on or before July 1, 2025.
- f) If the employee holds indefinite tenure, they must relinquish tenure effective on or before June 15, 2025 (if they are on a 9-month appointment) or effective on or before June 30, 2025 (if they are on a 12-month appointment).
- g) "Retire" and similar terms mean "separation from service" as defined and interpreted in Treas. Reg. § 1.409A-1(h) or in subsequent regulations or other guidance issued by the Internal Revenue Service.

2. Following ratification and announcement of the RIO program by the University, eligible members will have a minimum of 45 days to make the election to opt-in. The election window will be open until at least December 18, 2024.

- a) A member who opts in will have seven (7) days after the election to revoke their decision.


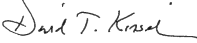
3. The retiring employee shall receive a one-time cash incentive payment.

- a) The payment shall be calculated as 1.5% of the average 3-year salary (defined below), multiplied by years of qualifying service with the University (defined below).
- b) The minimum payment is \$15,000 and the maximum payment is \$48,000.
- c) The payment date will be on or before August 31, 2025.
- d) "Average 3-year salary": For purposes of this calculation: (1) the "average 3-year salary" means the average of an employee's gross income from the University, as reported on the employee's W-2 form, for the previous three full calendar years, not taking into account any calendar year in which the employee was on an approved sabbatical or other unpaid or reduced-pay leave.
- e) "Years of qualifying service" means the number of years of University employment that qualify for retirement credit from PERS or ORP.

4. Additional Requirements and Details

- a) AAUP members with a currently approved Retirement Transition Program election can opt into this program if they meet all other eligibility requirements.
 - b) AAUP members electing to retire through this RIO may seek emeritus status through University procedures. OAA agrees to extend the deadlines for submitting their dossier/packet/ promotional materials.
 - c) AAUP members who opt into the RIO and are on sabbatical this year will be relieved from their obligation to return.
 - d) The one-time cash payment will not be considered compensation for purposes of PERS/ORP.
 - e) This payment is subject to all applicable state, federal, and local employment taxes and withholding.
 - f) The cash payment provided under this option is intended to be exempt from the requirements of Section 409A of the Internal Revenue Code. This payment is a "short-term deferral" within the meaning of Treas. Reg. § 1.409A-1(b)(4). All provisions of this RIO shall be interpreted in a manner consistent with preserving this exemption.
 - g) The University reserves the right to determine which positions vacated by retirement shall be filled or not filled.
 - h) Participating employees shall submit all required application materials and a letter of resignation to their Department Chair and Human Resources on or before the established program deadline.
 - i) Resignations of participants are irrevocable and may not be rescinded except as provided in 2 (a) above, or by written mutual agreement of both parties.
5. Should the Association determine that ratification of this agreement by the AAUP membership is required, the Association agrees to engage in the ratification process immediately to close the ratification vote no later than October 28, 2024.
6. This agreement shall be effective upon the signature of the parties, approval by the AAUP Executive Council, and ratification by the AAUP membership, if required. AAUP shall advise within five (5) days of execution that ratification is required. The MOA will be placed in the current CBA as an Interim MOA addendum. The current CBA shall be

updated with the revision and promulgated within 10 working days of its execution, or within ten (10) working days of ratification.

<u>For the University</u>	<u>For the Association</u>
 <small>Chris Monsere (Oct 15, 2024 15:31 PDT)</small> <hr/> Chris Monsere, Interim Vice Provost for Faculty Success	 <hr/> David Kinsella, Vice President Collective Bargaining
<u>10/15/2024</u> Date	<u>10/15/2024</u> Date