



FACULTY INCOME ALLOWANCE POLICY

The University of Pennsylvania established the Faculty Income Allowance Policy to incentivize tenured members of the Standing Faculty and senior members (Associate Professor and Professor) of the Standing Faculty Clinician-Educator to relinquish tenure rights and their appointments and terminate employment. Faculty who voluntarily terminate or terminate as part of a reduction in faculty can participate if they meet eligibility requirements of the plan.

ELIGIBILITY

Senior faculty members who have 10 or more years of full-time continuous service and who terminate on or after age 65 but before June 30th of the academic year in which they reach age 72.

If a faculty member has a break in service and did not meet the FIAP eligibility prior to their break, the clock starts over upon their return to the University.

Senior faculty members who attain 10 years of full-time continuous service on or after age 72. Senior faculty members must terminate as of the academic year-end (June 30) immediately following the satisfaction of the eligibility requirements.

Communication Requirements

At a minimum, the following should be included in the communication of FIAP to the faculty: letter outlining the benefit, link to the FIAP plan, election form and release forms.

BENEFITS CALCULATION

A faculty member's FIAP benefit is calculated as 200% of their academic base salary (or academic salary plan for faculty in the Perelman School of Medicine). The distribution of the benefit is based on the plan design chosen at time of election:

Immediate FIAP:

Will distribute the earned benefit in two payments – 50% shortly after termination of employment and 50% in the February pay period of the following calendar year.

Phased Work FIAP:

Will distribute the benefit in two parts:

1. During the two-year phased down period, the faculty member would be paid 100% pay despite a reduction in duties to 50% effort for the two-year period; and
2. The cash benefit unpaid at the end of the phased down period would be paid to the faculty member in a lump-sum by the February pay period of the following calendar year.

This document is a summary of terms. It is not the official plan document or the policy booklet. The FIAP booklet can be found [here](#) and FAQs can be found [here](#).

SPECIAL CONSIDERATIONS (AUGUST 2023)

Participants currently receiving payments under the previous FIAP Plan and participants who have elected to participate in current FIAP but have not yet commenced payments (elected prior to August 2023 announcement), will be provided an additional "top-up" cash benefit so they receive same 200% benefit provided though this new plan.

Faculty between the ages of 60-64 as of 06/30/2024, who were presently eligible for the previous FIAP plan, will be grandfathered into the plan announced in August 2023 even though they do not meet the revised age requirement.