

## VERIP Questions and Answers for Employees

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### Additional Questions from VERIP Information Session held Tuesday, July 28

- [Can I receive my VERIP lump sum in monthly or weekly increments?](#)
- [Where can I find information about annuity options for each income stream?](#)

### Additional Questions from VERIP Information Session held Monday, August 3

- [The amounts shown in the individual letter in the VERIP package – are these taxable payments and when will these payments be taxed?](#)

**Question:** Do I need to discuss my decision with my manager?

**Answer:** After you make a decision to elect the VERIP (should you decide to do so), you should let your manager know as soon as possible, discuss your retirement date and a plan for transitioning your work and responsibilities, as well as an agreed-upon plan for letting other team members know that you plan to retire.

**Question: Will employees be eligible for unemployment benefits after taking the VERIP?**

**Answer:** Voluntary separations of service are not usually covered by unemployment benefits. However, that determination is made by the Massachusetts Division of Unemployment Assistance (MA DUA) and retirees may check directly with MA DUA about eligibility.

**Question: If an employee works until the end of this year, would the Special Benefit Payment be paid out in the first paycheck of January and thus taxable in 2021, or in 2020?**

**Answer:** It depends. If a staff member is in the defined benefit plan (1995 Retirement Plan or has a basic account in the 2001 Plan), most payments will be made sometime in February or March of 2021, and taxable in 2021. If the employee is only in the defined contribution plan (2001 Staff Plan), the payment will be made with their last paycheck, which will be paid in 2021, and count as reportable income in 2021.

**Question: What happens to my accrued vacation time and longer-service vacation time if I take the VERIP?**

**Answer:** When you leave Harvard, you will receive a payment for accrued unused vacation time (regular and longer-service). This balance can be rolled into a TDA, deferring most taxes, up to the IRS annual maximum contribution amount (which includes any other contributions for the year of the payment). If you are cashing out all of your unused vacation, that payment will process with your final paycheck. If you roll over a portion of your unused vacation to the TDA, any remaining balance will be paid in an off-cycle check.

**Question: Can staff who take the VERIP return as a temp or LHT, or through Yoh (the contingent managed services provider), a temp agency or an outside payroller, or in an unpaid position before the 12-month waiting period?**

**Answer:** No, they may not return to employment, assignment or unpaid position at Harvard for 12 months. The 12-month wait from the termination date applies to **all types of employment or assignment** with the University, including regular, unpaid, temp or LHT jobs on the Harvard payroll, and working on assignment at Harvard through a supplier (such as a temp agency, a payroller, a consulting or services firm) or on a self-employed basis.

After the full 12-month waiting period, those who take the VERIP may return to the University in any capacity.

**Question: With the coronavirus pandemic, I have been working remotely since March and have not been to my office. What do I need to do to go back to my office and collect my personal items if I take the VERIP?**

**Answer:** Harvard has established protocols and training for anyone who needs to come onto campus this summer and fall. You can learn about the [Return to Campus policies here](#). As long as you will only be on campus for less than four hours, you just need to complete a required coronavirus safety training in the Harvard Training Portal (either [laboratory](#) or [non-laboratory settings](#)), and obtain a Crimson Clear pass to enter a Harvard building.

If you will be on campus longer than that, there are additional steps you must take, described in the [policies](#).

**Question: What happens to my HUID, building access and systems access when I retire?**

**Answer:** When your retirement is processed online in PeopleSoft, your status will be changed automatically from “Staff” to a [Person of Interest](#) (POI) -- Retiree in the Identity and Access Management system; your new role as a POI will be activated the day after you retire.

You will retain your 8-digit HUID *number* (it is assigned to you for life), and you should keep your HUID *card*, which you will need to obtain access to some Harvard buildings (notably, Harvard libraries and athletic facilities) and other resources, as described [here](#).

Harvard University does not provide email accounts to retirees, although some schools and departments may do so. Employees who have a Harvard Key when they retire can continue to use it as a retiree. However, retirees need to link their login name to their home or other personal email address, and it will provide access to a much narrower set of systems and online resources.

For example, your access to most University-wide business systems will automatically be terminated when you retire. These include PeopleSoft (administrative access), GMAS, Oracle, HART, HUBS, my.Harvard, ECRT, CPATH and Fieldglass. Access to most/all local systems, directories and platforms will be disabled. You will retain your basic and self-service access in PeopleSoft indefinitely (contact [ITHelp@harvard.edu](mailto:ITHelp@harvard.edu) with questions).

**Question: Can I keep my Harvard email when I retire?**

**Answer:** No. Your email will end when your employment ends.

**Question: Do I need to stay until December 31, 2020?**

**Answer:** We expect December 31, 2020 to be the retirement date for participants in the 2020 VERIP, but employees may retire sooner if their retirement was previously announced or “in process”, or if it is agreeable to their Harvard manager based on the business needs of the department. However, managers are not required to allow employees to retire earlier than December 31, nor should they compel employees to retire earlier than December 31. In any case, employees will need to meet the VERIP eligibility requirements by their retirement date and will want to consider whether their post-retiree health eligibility date has been met.

**Question: Who determines a retirement date later than December 31, 2020?**

**Answer:** In general, departments should not extend active employment beyond December 31, 2020. However, if mutually agreed upon by the manager and the employee and based solely upon departmental need, 2020 VERIP participants may retire between January 1 and June 30, 2021. This should be done as an exception and it must be approved by the local HR office. The University is paying a special benefit under this program and can reasonably expect that an employee will stay as long as they are needed (but no later than June 30, 2021) in exchange for that benefit.

**Question: When will my Special Benefit be paid?**

**Answer:** The payment schedule is as follows:

- Payments for anyone who is eligible and retires from May 1 through September 15, 2020 will be processed in January 2021.
- Anyone who is eligible retires as part of the VERIP, but prior to December 15:
  - Harvard University Retirement Plan will be processed as soon as possible
  - Harvard University Defined Contribution Plan will be paid out with final pay check
- **Note: deferred special benefits for all Harvard University Retirement Plan participants (those with a Basic Account) will not begin accruing interest until January 1, 2021.**

**Question: Can you elect different payment options for Regular Plan Benefit and the Special Pension Benefit?**

**Answer:** Yes, you can make separate elections for each benefit.

**Question: Can I contribute to my TDA from the Special Lump Sum Payment? How is the payment taxed?**

**Answer:** No. The Special Lump Sum Payment is considered additional compensation (payment that is not for hours that have been worked) and, as such, is not eligible to be contributed to a TDA and is required to be taxed at the higher supplemental rate, similar to bonuses.

**Question: How do I know if I am eligible for post retiree health?**

**Answer:** Information regarding post retiree health is available on [HARVie](#). An eligibility calculator is also available on that page.

**Question: What if I am not eligible for post retiree health and elect to take the VERIP?**

**Answer:** You will be eligible for COBRA to extend the active health coverage in which you are enrolled prior to your retirement date.

**Question: What about voluntary benefits if I elect the VERIP?**

**Answer:** Eligibility is as follows for these benefits:

- Basic Life Insurance – Coverage continues, subject to age-related reductions, but is capped at \$50,000. You will have the opportunity to port or convert any of the excess coverage.
- Vision Plan – This plan is not available to retirees. You may continue coverage through COBRA for up to 18 months.
- Long Term Care – this is a contract between you and the carrier. Contact the carrier for information on what happens when you retire.
- TAP – Retirees are eligible for this benefit at the same cost as active employees but only for Harvard classes. Retirees with greater than 15 years of service are eligible for 1 free class per semester.

- Hyatt Legal – Coverage ends effective with your retirement. There is an option to prepay for an additional year of coverage directly with Hyatt. Contact Hyatt Legal directly for additional information.

**Question: What access do I receive with my Harvard retiree ID?**

**Answer:** The HURA website provides additional information on the benefits. Go to <https://hr.harvard.edu/retirees-hura-members>.

**Question: Can I receive my VERIP lump sum in monthly or weekly increments?**

**Answer:** Employees in the Harvard University Retirement Plan (defined benefit plan) may elect either a lump sum or a monthly annuity option for the VERIP Special Benefit payment. Employees in the Harvard University Defined Contribution plan are only eligible for a lump sum payment; there is no option for monthly or weekly installments.

**Question: Where can I find information about annuity options for each income stream?**

**Answer:** Estimates that include all the annuity options available to you were mailed to homes. Please contact the Benefits Office if you would also like a copy of the annuity options available for the VERIP Special Benefit.

**Question: The amounts shown in the individual letter in the VERIP package – are these taxable payments and when will these payments be taxed?**

**Answer:** The amounts in the VERIP letter are taxable and will be taxed at the time they are paid out. Whether this payment is paid as a lump sum amount or as a monthly amount, it will be taxed based on the amount paid.