

11/12/21

Memo to Provost Katy Fleming

Comments and Suggestions on the New Retirement Program at NYU

At TFSC we have comments/suggestions and one question regarding the retirement bonus program.

1. Question.

What is the age distribution of tenured/tenure track faculty?

2. Comment and suggestion of tax issues.

The way the program reads, under option A, a retiring faculty member would receive the 2x bonus during the same academic year when he/she is also receiving salary from NYU. This is likely to have adverse tax consequences. Once receiving the bonus, say in 2022, the faculty member would have to pay taxes on 2.5x his/her regular salary in 2022, shifting him/her to a higher than usual tax bracket. We suggest that faculty have the option (but not the requirement) to collect the 2x salary in increments over two or three years to alleviate the tax consequences. This cannot hurt NYU since it would keep some the moneys for an extra one or two years in some cases.

3. Comment and suggestion on faculty housing.

The general feeling at TFSC is that a significant impediment to tenured faculty retirement is the transition out of faculty housing. We strongly suggest that for participants in the bonus retirement program there will be a grace period of two years before they leave faculty housing. This would allow faculty to focus on moving out of faculty housing and finding housing alternatives once they do not have academic duties. Making this transition easier will increase the number of faculty accepting the retirement program.