

PHASED RETIREMENT PROGRAM

1. GENERAL

The Phased Retirement Program has been established to: (1) encourage staffing flexibility, consistent with overall University and individual department needs, and (2) provide faculty and staff an opportunity to devote increased time to personal interest by partially retiring, or retiring in planned stages, while continuing to provide service to the University in their area of greatest expertise.

2. DEFINITIONS

- a. "Retirement" means the full termination of regular, compensated service of an employee at least 62 years of age with ten or more years of creditable service or at least 65 years of age with five or more years of creditable service.
- b. "Normal" retirement age means the age contemplated by University retirement programs at which University employees are normally expected to consider retiring. The "normal" retirement age for faculty and staff is "full retirement age" as defined by the Social Security Administration. Beginning with persons born in 1938, the "full retirement age" will gradually increase from age 65, eventually reaching age 67 for persons born in 1960 and later.
- c. "Phased Retirement Program" means an arrangement for partial retirement, or retirement in planned stages, as provided in a written contract between the University and the faculty or staff member, consistent with the provisions of this policy. The duration of Phased Retirement is normally limited to five years although a longer duration may be specified in the Phased Retirement agreement.

3. POLICIES

- a. The Phased Retirement Program is available to faculty and staff employees of the University who are at least 59 ½ years of age, have completed at least five years of continuous service for the University immediately prior to participation in the Phased Retirement Program, and will meet the eligibility requirements for "normal" retirement at the end of the period of phased retirement.
- b. Participation in the Phased Retirement Program is not an entitlement or a right automatically available to all persons who meet the eligibility criteria, but is subject to administrative approval and approval of the terms and conditions reflected in a written contract specifying the arrangements under which the individual will be placed in phased retirement status. While University administrators will give consideration to all requests to participate in the Phased Retirement Program, the nature of the working assignment of the individual may not lend itself to a reduced schedule or a reduction in responsibilities, and other practical considerations (e.g., lack of office space or laboratory facilities) and may preclude approval of Phased Retirement proposals. The decision of the University

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to permit phased retirement in each case is in the University's discretion, and its decision is final.

- c. The individual who enters the Phased Retirement Program on a permanent basis must agree to a reduced FTE (full-time equivalent) employment status with the University, with the clear understanding that the total FTE percentage for all services performed for the University as an employee cannot thereafter be increased, although it may be decreased.
- d. For an individual to enter a Phased Retirement Program, on either a one-year trial basis (see Section 4 below) or a permanent basis, the FTE percentage assignment for that employee must be reduced by at least one-fourth (i.e., to a level of .75 or less, depending on current FTE) over the same or a reduced appointment period (i.e., a nine-month appointment may not be extended to twelve months, but a twelve-month appointment may be reduced to nine months). The FTE level initially agreed upon may later be reduced in decrements of .25 FTE or more by an addendum to the contract. Exceptions to the limitations specified in this paragraph must have the approval of the appropriate dean and/or department head.
- e. Unless specific provisions to the contrary are included in an individual's Phased Retirement agreement with the University, that person will be entitled, for the duration of the agreement, to the same status and employment related benefits as he/she had attained prior to the effective date of the agreement.
- f. In unusual situations, and with the specific approval of the appropriate vice-president, an additional financial incentive amount may be granted to the employee in return for an accelerated phased retirement program.

4. ONE-YEAR TRIAL OPTION

Phased Retirement may be approved on a one-year trial basis in the form of a partial leave of absence at reduced pay. In such cases, however, the faculty or staff member will not be permitted to initiate payment of full retirement benefits from a retirement program. The payment of the retirement benefits may be initiated only when the faculty or staff member enters upon either full or partial retirement on a permanent basis.

5. APPLICATION PROCESS

- a. Ordinarily, a faculty or staff member who wishes to be considered for participation in the Phased Retirement Program should submit a written request to the department head at least six months in advance of the date upon which partial retirement is to be initiated. After consultation with the appropriate dean and/or vice-president, the department head will advise the applicant whether the request has tentative approval. Denial of a request

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does not preclude the approval of a subsequent request. If it appears reasonably likely that the request will be approved, the applicant should be encouraged to proceed.

- b. In the case of joint appointments, both department heads must receive the written request and consult with their appropriate dean and/or vice-president.
- c. Upon receiving tentative approval, the applicant should make an appointment with the Human Resources Department to obtain complete details of Phased Retirement, including the various retirement options that may be elected. With the assistance of Human Resources, a formal request should be made to the appropriate retirement program (TIAA/CREF, Fidelity or Vanguard) for specific financial estimates as to the amounts of retirement income under the option chosen. The same limitations apply to phased retirement participants as apply to full retirement participants except that phased retirement participants may not select total distribution of retirement funds.
- d. Upon receipt of the necessary retirement data, the applicant should initiate discussions with Human Resources and the applicant's department head for the purpose of preparing a contractual agreement between the applicant and the University for phased retirement.
- e. Upon completion of the discussions described in paragraph c. above a tentative contract should be completed. The tentative contract should then be submitted through reporting channels to the appropriate vice-president for review and approval or modification.
- f. After such modifications as may be necessary to obtain approval of the appropriate vice-president, a formal contractual agreement will be signed by the individual, the dean and/or vice-president.

6. INFORMATION ON BENEFITS

Specific information regarding the benefits available to participants in the Phased Retirement Program may be obtained from the Human Resources Department (Benefits Office).

Drafted by the Director of Human Resources, October 8, 2001

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