

WESTERN CAROLINA UNIVERSITY
SUMMARY
UNIVERSITY OF NORTH CAROLINA
PHASED RETIREMENT PROGRAM

I. PURPOSE.

The University of North Carolina Phased Retirement Program (the “Program”) is designed to provide an opportunity for eligible full-time tenured faculty members (“Eligible Faculty Members”) to make an orderly transition to retirement through half-time (or equivalent) service.¹ The goals of the Program are to promote renewal of the professoriate in order to ensure institutional vitality and to provide additional flexibility and support for individual faculty members who are nearing retirement. The Program is entirely voluntary and is available when agreed to and entered into by mutual written agreement between an Eligible Faculty Member and his/her employing institution. The Program, first announced in January 1998, is subject to there being in place supplemental procedures and participation standards (“guidelines”). Enrolling Eligible Faculty Members may elect to begin receiving the benefits they have accrued under either the Teachers’ and State Employees’ Retirement System (“TSERS”) or the Optional Retirement Program (the “ORP”), but they are not required to do so. However, so long as an Eligible Faculty Member does not receive a monthly retirement benefit, he or she will not receive University/State paid State Health Plan benefits.²

II. ELIGIBILITY AND APPROVAL.

- A. The Program is available only to full-time tenured faculty members. Non-tenured and tenure-track faculty are not eligible for the Program.
- B. Participating faculty who are members of TSERS must be at least age 62 upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under either TSERS. Participating faculty who are participants in the ORP must be at least age 59 1/2 upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under ORP.³
- C. Faculty members are individually responsible for providing to their employing institution age and service data needed to determine their Program eligibility. Faculty who occupy full-time administrative or staff positions are not eligible for the Program until they vacate the administrative or staff position. In other words,

if a faculty member occupies a full-time administrative or staff position the 50% salary is based on the conversion of the position back to a 9 month faculty salary base. Thus, services rendered while in phased retirement will be only those teaching, research, and administrative duties under faculty appointment...

- D. Eligible Faculty Members do not have an absolute right to participate in the Program. Departments, schools, or institutions may limit participation in the Program based on three conditions. One condition is a finding that financial exigencies prohibit enrollment in the Program by the Eligible Faculty Member. The second condition is that further enrollment in the Program will substantially weaken academic quality or disrupt program sequence within the department, school, or institution. Further, a department or school or an institution may each establish a cap or limit on the number of Eligible Faculty Members who may enter the Program.
- E. An application to enter the Program must be at least six (6) months but not more than eleven (11) months before the effective date of an Eligible Faculty Member's requested participation in the Phased Retirement Program, to begin at the start of the next academic year.
- F. An application to enter the Program must be submitted to the Eligible Faculty Member's Department or Division Head. An application is subject to final approval by the Institution's Chief Academic Officer following evaluation of the conditions outlined in Section II.D. above and the development of a mutual "work plan" with the Eligible Faculty Member.
- G. If an Eligible Faculty Member and the employing institution tentatively agree to the faculty member's participation and a mutual "work plan," the decision to enter or not enter the Program then rests with Eligible Faculty Members.
- H. Once made, a decision to enter the Program is binding
- I. The Program has been made a continuing benefit of the University, subject to reservation by the University Board of Governors of the right to modify, suspend, or discontinue the Program. Eligible Faculty Members may timely seek to enter the Program for the number of years uniformly specified by the employing institution for all its participating faculty.

III. TERMS AND CONDITIONS.

- A. Phased retirement under the Program is subject to the following terms and conditions:
 - 1. Upon entering the Program, Eligible Faculty Members give up tenure. They terminate full-time employment and contract for a period of half-time (or equivalent) service to their institution. Half-time responsibilities may vary by institution and among departments in the same institution.

Half-time service may consist of full-time work for one-half of a year (e.g., full-time work for one semester of an academic year) or half-time work for a year (e.g., half-time work in each of the two semesters of an academic year). Under either pattern the Program enrollment period begins with the fall semester. Teaching, research, and service assignments during the period of phased retirement are individually negotiated by the Eligible Faculty Member and the appropriate supervisors and/or personnel committee(s). The details of the half-time service (“work plan”) must be set forth in a UNC Phased Retirement Application and Reemployment Agreement (the “Agreement”).

2. In conjunction with the Agreement executed under the Program an Eligible Faculty Member must execute a waiver of rights and claims under the Age Discrimination in Employment Act (the “ADEA”) and other laws (the “Release”). The Release must fully comply with the requirements for knowing and voluntary waivers as provided in the ADEA and other applicable law. After the Agreement is drafted and signed by the administrators, it must be delivered to the Eligible Faculty Member and the Eligible Faculty Member has no less than forty-five (45) calendar days within which to consider the Release. Eligible Faculty Members are encouraged to consult an attorney prior to executing the Release. The Release does not become effective and enforceable until after a period of seven (7) calendar days following its execution by the eligible Faculty Member, and during such period the Eligible Faculty Member may unilaterally revoke the Release. If the Eligible Faculty Member elects to revoke the Release within the seven-day period, the Eligible Faculty Member will continue in his/her same full-time employment status as the faculty member held immediately prior to the execution of the Release, and the Agreement becomes null and void. Revocations must be in a writing personally signed by the affected faculty member and received by the official to whom the prior application to participate in the Program had been submitted.
3. Participating Faculty Members initially receive a salary equal to fifty percent (50%) of the full-time salary they received immediately prior to phased retirement (e.g., based on the Faculty Member’s prior nine- or twelve-month contractual terms, as applicable). In addition, compensation paid during phased retirement is paid over twelve (12) months irrespective of the pattern of duties under the Faculty Member’s work plan. Subject to any limitations imposed under the State Retirement System and the legislative appropriations process, Eligible Faculty Members are eligible for salary increases and merit pay in subsequent years of Program participation based on annual evaluations.
4. Participating Faculty Members will remain subject to The Code and Policies of The University of North Carolina and their respective campus.

In addition, without expressly or constructively terminating any Agreement, an employing institution may place a Participating Faculty member on temporary leave with pay and/or reassign a Participating Faculty Member's duties during or as a result of any investigation or disciplinary action involving the Participating Faculty Member. Such authority shall be involved only in exceptional circumstances when the Participating Faculty Member's Department or Division Head determines that such action is in the best interests of the employing institution.

5. Phased retirement under the Program may be for a period of at least one but not greater than five years. Each institution will set the length of phased retirement for its faculty. All Eligible Faculty Members at each institution will have the same participation period of phased retirement.
- B. The employing institution shall develop a list of employee benefit plans or programs in which Eligible Faculty Members may participate during the phased retirement period. In addition, Eligible Faculty Members who elect into the Program will retain their professorial rank and the full range of responsibilities, rights, and other general benefits associated with such rank, except for tenured status or as otherwise modified pursuant to an Eligible Faculty Member's agreed-to "work plan." (The employing institution, however, will keep records of participation so as to note those faculty who are in phased retirement.

IV. GENERAL PROVISIONS.

- A. Nothing in the Program precludes a participating Faculty Member from terminating his or her phased retirement at any time if the employing institution provides its consent.
- B. Eligible Faculty Members participating in the Program do not enjoy the benefits of tenure. They may not serve on committees that require members be tenured. Otherwise, participants have the same academic freedoms and responsibilities as other faculty members and have access to all grievance and appeal procedures available to non-tenured members of the faculty who are not participating in the Program.
- C. Participating Faculty Members are expected to maintain high levels of professional commitment to their institution.

V. PHASED RETIREMENT PROGRAM DOCUMENTS

Current General Administration documents related to the Phased Retirement Program, including the Phased Retirement Program Application and Employment Agreement and the Phased Retirement Program Application and Employment Agreement and the Phased Retirement Program General Release, are available from the UNC General Administration Division of Academic Affairs, Legal Affairs, or

Human Resources. The documents are also available on the UNC General Administration Division of Human Resources web site:

<http://www.Northcarolina.edu/content.php/hr/benefits/retirement/phased/phased.htm>

¹Pursuant to NCGS §116-11(13), and notwithstanding *The Code* or any other Board of Governors policy, the Board of Governors has delegated certain authorities to the President of the University. See Policy 200.6, *Delegation Authority to the President of the University*, adopted 11/13/06.

² If a faculty member does not elect to receive a monthly retirement benefit from TSERS or ORP, upon entering phased retirement he/she may continue participation in the State Health Plan as a permanent halftime employee on a fully contributory basis. In that case, the faculty member would not be eligible to receive the University's contribution.

³To comply with federal law, the increase in minimum age for participation from 50-62 for TSERS members and 59 1/2 for ORP participants becomes effective for faculty who first enter phased retirement beginning in the 2008-09 academic year.