

August 25, 2009

## MEMORANDUM

TO: UNCG Faculty Eligible for the Phased Retirement Program

FROM: J. Alan Boyette  
Vice Provost

RE: Phased Retirement

The University of North Carolina Phased Retirement Program (the “Program”) requires certain notices to faculty. Our records suggest that you are now potentially eligible to participate in the Program or will be potentially eligible on or before August 1, 2010.

This letter sets out in summary fashion some of the key details of the Program. We have also enclosed for your review a Program Summary, UNC Policy 300.7.2, a UNC Phased Retirement Program Application and Reemployment Agreement, a General Release, a Phased Retirement Check List, and a chart (both departmental and institutional in scope) of tenured faculty by rank/title. The chart includes both eligible and ineligible tenured faculty. Please read all of these materials carefully, as they set forth your rights and responsibilities under the Program. More specific and complete information is also available at the following website address:

<http://provost.uncg.edu/publications/personnel/prp.asp>

### Eligibility

Only full-time tenured faculty who meet certain age and service requirements (“Eligible Faculty Members”) may participate in the Program. Moreover, tenured faculty occupying full-time administrative or staff positions are not eligible to participate in the Program until they vacate such positions. Thus, only individuals under faculty appointment involving teaching, research and service are eligible to participate in the Program.

In general, Eligible Faculty Members are full-time tenure faculty who meet the following criteria as of August 1, 2010:

- Have at least five years of full-time service at the constituent institution of the University of North Carolina at which they are currently employed;
- Are age 62 or older for members of the Teachers’ and State Employees’ Retirement System (“TSERS”) or 59 ½ or older for participants in the University of North Carolina Optional Retirement Program (the “ORP”); and
- Are eligible to receive retirement benefits through either TSERS or the ORP, as applicable.

### **Limitations**

Subject to certain enrollment caps and annual application time “windows,” you may apply to participate in the Program with phased retiree service to start in the academic year that follows the date of your application and all approvals. You do not, however, have an absolute right to participate in the Program. Rather, UNCG may limit participation in the Program in response to a *bona fide* finding that financial exigencies prohibit enrollment in the Program or that further enrollment will substantially weaken academic quality or disrupt program sequence. UNCG may also set caps to limit the number of Eligible Faculty Members who may participate in the Program.

All applications are subject to final approval by the Chief Academic Officer, following evaluation of the conditions referenced above and the development of a participant “work plan.” Failure to gain mutual agreement between the Eligible Faculty Member, dean, department head/chair and Provost on the content of the work plan is grounds for denying the Eligible Faculty Member’s Program participation.

### **Process**

Should you decide to participate and are accepted in the Program, you would give up tenure and terminate your current full-time position. In return, UNCG would contract with you for half-time reemployment for a period of three years.

You would negotiate individually with your department head/chair and dean to determine your specific teaching duties and the time frame for fulfilling them. For example, you may be contracted to teach a full schedule for either fall or spring semester each year or teach a half schedule for both semesters. Half-time responsibilities and duties may vary among departments, but all enrollments in the Program commence with the start of the next academic year and do not include summer school duties. The work plan and other terms would be set forth in a UNC Phased Retirement Application and Reemployment Agreement. The application period is September 15 through February 15 of the academic year preceding proposed Program participation.

Once all appropriate administrator signatures have been obtained on the final agreement, you and your department head/chair will be notified by the Associate Vice Provost of EPA-HR. The date of receipt of notification begins a 45-calendar day period during which you must have a General Release completed and notarized. If you do not execute the General release within the 45-day period, the Associate Vice Provost of EPA-HR will notify you and your department head/chair that the Program Agreement has been voided. The date of “receipt” is the date on which UNCG either physically delivers to you the completed Agreement or the date on the return receipt card that you signed upon delivery to you by registered mail.

### **Compensation**

If approved, you would be initially compensated under the Program at a salary equal to fifty percent (50%) of the salary you received prior to phased retirement during your last nine- or twelve-month term of employment incident to full-time service. (Phased retirement salary for department heads/chairs on a ten- or twelve-month basis would be fifty percent of the salary after it is converted to a nine-month equivalent.) **Should you elect to participate in the Phased Retirement Program and you are a member of the TSERS, it would be your responsibility to monitor your employment earnings carefully so that you would not exceed limitation imposed by the TSERS.** Your salary would be paid over a twelve-month period irrespective of the pattern of duties/service under your agreed-to work plan. Subject to limitations imposed under the State Retirement System, you would also be eligible for salary increments and merit pay in subsequent years of Program participation based on annual evaluations.

If you choose to enroll in the Program and are approved, you may also participate in all employee benefit programs for which you are eligible. A chart located at <http://provost.uncg.edu/documents/personnel/benefits.pdf> explains benefits and payroll deductions during phased retirement.

In addition, as an Eligible Faculty Member enrolled in the Program you may elect to begin receiving benefits you have accrued under either TSERS or the ORP, as applicable, but you are not required to do so. However, so long as you do not receive a monthly retirement benefit, you will not receive the University-paid state health plan benefits.

**Note:** If you do not elect to receive a monthly retirement benefit from TSERS or ORP, upon entering phased retirement you may continue participation in the State Health Plan as a permanent half-time employee on a fully contributory basis. In that case, you would not be eligible to receive University contributions.

### **Meetings and Conditions**

You are not required to apply for or participate in the Program. However, if interested in potentially pursuing this retirement transition option, you are encouraged to attend an informational meeting on Friday, September 18, 2009, 10:00 a.m. in the Provost's Conference Room, 201 Mossman Building. At this meeting, officers who have been designated to provide information to Eligible Faculty Members will be available to answer any questions you might have about the Program. The officers will also be available as a resource at any time.

If you decide to participate in the Program, you will be asked to sign an Agreement and a General Release as a condition of entering the Program. These materials must be completed and turned in by you at least six months but not more than 11 months before the commencement of the first semester of your requested participation in the Program, which would begin at the start of the next academic year. You are encouraged to consult with your attorney and financial advisors before making such a decision. A decision to enter the Program is binding once made. However, the period of phased retirement may be terminated at any time if both you and UNCG officials agree.

Questions about eligibility for this program should be directed to Ms. Debra Carley in the Office of Human Resource Services (334-5009). You may phone Mr. Lucien Capone, University Counsel (334-3067), if you have questions related to legal aspects of the Program. Additionally, I encourage you to contact me at 334-5494 if you have other questions about the operation of this Program.

We know that decisions regarding retirement are both emotional and difficult. The Program is intended to make the process easier and to facilitate difficult decisions by allowing individuals to continue to participate in academic life and the mentoring of students while preparing for the future. We hope you will agree that the Program is a beneficial one.

JAB/pbo

UNCG Faculty Eligible for the Phased Retirement Program  
August 25, 2009  
Page Four

Enclosures:

Summary, UNC Phased Retirement Program  
UNC Policy 300.7.2, The UNC Phased Retirement Program  
UNC Phased Retirement Application and Reemployment Agreement  
UNC Phased Retirement Program General Release  
Phased Retirement Check List  
Chart of Eligible & Ineligible Faculty by Rank/Title and Unit

c: David H. Perrin, Provost & Vice Chancellor for Academic Affairs  
Lucien Capone, University Counsel  
Angela Montgomery, Benefits Manager  
Melissa Barnes, Benefits Supervisor  
Pat O'Rork, Associate Vice Provost for EPA-HR